

PREMIER TYRES LIMITED

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42ND ANNUAL REPORT 2002-2003

PREMIER TYRES LIMITED

42ND ANNUAL REPORT

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PREMIER TYRES LIMITED

BOARD OF DIRECTORS

ONKAR S. KANWAR : CHAIRMAN

K. JACOB THOMAS

NEERAJ KANWAR

N. SREEKUMAR

P. N. WAHAL

U. S. OBEROI

SUDHA PILLAI

: KERALA GOVERNMENT NOMINEE

V. VASANTHAKUMARI

: KERALA GOVERNMENT NOMINEE

COMPANY SECRETARY

PRADEEP KUMAR

AUDITORS

H. N. MEHTA ASSOCIATES

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.

SHANMUGHAM ROAD,

KOCHI-682 031 (KERALA)

TEL. NOS. (0484) 2381808, 2372767

FAX NO. (0484) 2370351

BANKER

BANK OF INDIA

WORKS

KALAMASSERY,

ALWAYE,

KERALA-683 104

PREMIER TYRES LTD.Regd. Office: 8th Floor, Chennuputham Building, Shanmugham Road, Kochi - 682 031 (Kerala)**NOTICE**

NOTICE is hereby given that the Forty Second Annual General Meeting of the Members of **PREMIER TYRES LTD.** will be held as under:-

DAY	:	Monday
DATE	:	28 th July, 2003
TIME	:	4.00 p.m.
PLACE	:	Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi - 682 016.

to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2003 and the Report of the Directors and of the Auditors thereon.
2. To appoint a Director in place of Shri P.N. Wahal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N. Sreekumar, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT M/s. H.N.Mehta Associates, Chartered Accountants, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for Auditing the Accounts for the year 2003-2004 and that the Board of Directors be and is hereby authorised to fix their remuneration plus travelling and out of pocket expenses for audit."

By order of the Board
For Premier Tyres Ltd.

(Pradeep Kumar)
Company Secretary

Place: Gurgaon
Dated: 9th May, 2003

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed not less than forty eight hours before the scheduled time of the Meeting.
2. The Register of Members and Share Transfer Books shall remain closed from 1st July, 2003 to 28th July, 2003 (both days inclusive) for the purpose of Annual General Meeting.
3. Equity shares of the Company have been splitted from Rs.100/- to 10 equity Shares of Rs.10/- each w.e.f. 3rd June, 2002. Members who have not surrendered the share certificates are requested to send the same for splitting.

4. The members holding shares in the dematerialised form are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their depository participant (DP). These changes will be automatically reflected in Company's records which would help the Company to provide efficient and better service to members.
5. Please bring your copy of the Annual Report to the Meeting.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the Meeting and also at the Meeting.
7. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the AGM.
8. Members holding shares/debentures in the same name(s) under different folios are requested to apply for consolidation of such folios by sending relevant share/debenture certificates.
9. The shares of the Company are under compulsory Demat list of SEBI w.e.f. 2nd January, 2002. The trading in equity shares can now be only in Demat Form. In case you have not demated your shares, you may do so by opening an account with a Depository Participant and complete dematerialization formalities.
10. Information under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting (Item No.2 & 3 of Ordinary Business) is given below.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item No. 2

Shri P.N. Wahai aged about 54 years is a Chartered Accountant and Company Secretary by profession. Shri P.N. Wahai joined the Board of Directors of the Company in the year 1995. His experience is focused in the areas of corporate law, finance, accounts and business affairs.

Shri P.N. Wahai is a director and member of Board of other companies viz Global Capital Ltd., Fashion Brands International Inc. USA and Apollo International FZG, Sharjah

Item No. 3

Shri N. Sreekumar aged about 54 years, joined the Board of Directors of the Company in the year 1997. He is B.Sc. (Engg), PGDIE and LL.B. He has vast experience of manufacturing technologies and management of plant operations. He is not a director in any other company.

By order of the Board
For Premier Tyres Ltd.



(Pradeep Kumar)
Company Secretary

Place: Gurgaon.

Dated: 9th May, 2003

PREMIER TYRES LTD.**DIRECTORS' REPORT**

Dear Member,

Your Directors have pleasure in presenting the annual report and audited accounts of the Company for the financial year ended 31st March, 2003.

1. FINANCIAL RESULTS

	YEAR ENDED 31st March, 2003 (Rs/ Lakh)	YEAR ENDED 31st March, 2002 (Rs/ Lakh)
Other income	281.76	205.64
Profit before depreciation & interest	232.59	182.61
- Depreciation	35.17	31.17
- Interest	0.00	0.03
Profit before tax	197.42	151.44
- Provision for Current Tax	15.55	11.58
Profit after Current tax	181.87	139.86
- Provision for Deferred Tax	37.73	53.02
Profit after tax	144.14	86.84

2. OPERATIONS

During the year under review, gross income amounted to Rs 282 lakh as against Rs 206 lakh during the previous year. It includes lease rental of Rs 150 lakh (previous year Rs 150 lakh) received from Apollo Tyres Ltd. (ATL), the holding company, in accordance with the Rehabilitation Scheme as approved by Board for Industrial & Financial Reconstruction (BIFR). After providing for depreciation of Rs. 35 lakh (previous year Rs. 31 lakh), provision for current tax of Rs. 16 lakh (Previous year Rs. 12 lakh) and provision for Deferred Tax of Rs. 38 lakh (Previous year Rs. 53 lakh), the net profit amounted to Rs. 144 lakh against the net profit amounting to Rs 87 lakh in the previous year.

In terms of the BIFR Order, ATL had taken over your Company's Plant on lease for eight years from April, 1995 under rehabilitation scheme as approved by the BIFR. The lease period has expired on 31st March, 2003. Your directors have extended the present lease arrangement with ATL till 31st March, 2004.

3. DIVIDEND

In view of the accumulated losses, no dividend is being recommended by the directors for the year under review.

4. DIRECTORS

Shri P.N. Mahal and Shri N. Sreekumar, Directors retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

The Govt. of Kerala nominated Smt. Sudha Pillai in place of Shri Vinod Rai on the Board of the Company w.e.f. 1st November, 2002. The board places on record its appreciation of the services rendered by Shri Vinod Rai during his tenure of directorship.

5. COST AUDIT

The Government had exempted the company from the cost audit requirement for 8 years from January 1995 vide their order dated 4th August, 1998. The exemption is granted in pursuance of the request made by the company to exempt it from the requirement of cost audit, as the plant is leased out to Apollo Tyres Ltd. under Rehabilitation Scheme sanctioned by BIFR. The cost audit report of the Apollo Tyres Ltd., the holding Company, covers your company's unit also.

The application has been filed with the Central Government for seeking exemption for further period till the time your company does not have its own production.

6. AUDITORS' REPORT

The comments on the statement of accounts referred to in the report of the auditors have been suitably explained by way of notes to the accounts as referred in the auditors' report.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the plant is leased to Apollo Tyres Ltd. upto March 31, 2003 and the company is not carrying out any manufacturing activity of its own, no information is required to be furnished under Section 217 (I) (e) of the Companies Act, 1956.

8. REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate governance is given in Annexure 'A' of this report.

9. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company confirm:

- i) that in the preparation of the annual accounts for the financial year ended March 31, 2003, the applicable accounting standards have been followed and there has been no material departure;
- ii) that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2003 and of the profit of the company for the year ended as on date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a 'going concern' basis.

10. PERSONNEL

The industrial relation continued to be normal during the year. A long term settlement has been signed with trade unions for a period of 3 years.

There are no employees during the year drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. As such no particulars are required to be furnished.

11. ACKNOWLEDGEMENT

Your Directors are thankful for the co-operation extended by Government of Kerala, bankers and the employees for their valuable contribution to your Company.

For and on behalf of the Board of Directors

Onkar S. Kanwar

Place: Gurgaon

Dated: 9th May, 2003

(Onkar S. Kanwar)
Chairman

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PREMIER TYRES LTD.**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Securities and Exchange Board of India (SEBI) has introduced Code of Corporate Governance for implementation by the companies listed with Stock Exchanges. Your company has complied in all material respect with the features of Corporate Governance stipulated in the listing agreement. A report in line with the requirements of Stock Exchange and practice followed by the company is given below.

2. BOARD OF DIRECTORS**a) Board Procedure:**

In the year 2002-2003 four meetings of board were held. The intervening period between the board meetings was well within the maximum time gap of four months prescribed in clause 49. The minimum information to be made available to the Board as per Annexure-1 forming part of Clause 49 are being complied with.

b) Number and dates on which the meetings of board of directors were held.
During the year, 4 Board Meetings were held on the following dates:-26th June, 200219th September, 200231st October, 200228th January, 2003**c) Composition of board:**

The board of directors comprises of eight directors, three non-executive and independent directors, which include two nominees of Government of Kerala. All directors have varied experience in the areas of finance, law, business and industry etc.

Name/Designation of Director	Category	No. of positions held in other companies		No. of Board meeting attended	Attendance at last AGM
		Board	Committee		
Shri Onkar S. Kanwar Chairman	Non-Executive Non-Independent	4	-	4	Yes
Shri K. Jacob Thomas	Non-Executive Independent	3	2	4	Yes
Shri Neeraj Kanwar	Non-Executive Non-Independent	1	1	3	Yes
Shri N. Sreekumar	Non-Executive Non-Independent	-	-	1	Yes
Shri P.N. Wahal	Non-Executive Non-Independent	3	-	4	Yes
Shri U.S. Oberoi	Non-Executive Non-Independent	2	1	4	Yes
Smt. Vasanthakumari Nominee Director – Govt. of Kerala	Non-Executive Independent	-	-	Nil	No
Smt. Sudha Pillai Nominee Director – Govt. of Kerala	Non-Executive Independent	3	-	Nil	Not Applicable
Ceased to be Director					
Shri Vinod Rai Nominee Director – Govt. of Kerala	Non-Executive Independent	14	-	Nil	No

This includes directorships held in public limited companies and subsidiaries of public limited companies and excludes directorships held in private limited companies and overseas companies.

* The Govt. of Kerala nominated Smt. Sudha Pillai as its nominee director on the board in place of Shri Vinod Rai w.e.f 1st November, 2002.

3. AUDIT COMMITTEE

a) Constitution of Committee

The company had constituted an Audit Committee in the year 2001. The present constitution of the Audit Committee comprises of following five Non-executive Directors to specifically look into the internal controls and audit procedures.

Name of Director	Designation	No. of meetings attended
Shri K. Jacob Thomas	Chairman	3
Shri Neeraj Kanwar	Member	3
Shri N. Sreekumar	Member	1
Shri P.N. Wahal	Member	3
Shri U.S. Oberoi	Member	3

b) Meetings:

During the year, Audit Committee met thrice since 01.04.2002 on the following dates :-

- 17th June, 2002
- 31st October, 2002
- 27th January, 2003