

# ***PREMIER TYRES LIMITED***



## ***43RD ANNUAL REPORT 2003-2004***

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# ***PREMIER TYRES LIMITED***

## **BOARD OF DIRECTORS**

<b>ONKAR S. KANWAR</b>	:	<b>CHAIRMAN</b>
K. JACOB THOMAS		
NEERAJ KANWAR		
N. SREEKUMAR		
P.N. WAHAL		
U.S. OBEROI		
SUDHA PILLAI	:	KERALA GOVERNMENT NOMINEE
VASANTHAKUMARI	:	KERALA GOVERNMENT NOMINEE

## **COMPANY SECRETARY**

PRADEEP KUMAR

## **AUDITORS**

H.N. MEHTA ASSOCIATES

## **REGISTERED OFFICE**

6TH FLOOR, CHERUPUSHPAM BLDG.  
SHANMUGHAM ROAD,  
KOCHI-682031 (KERALA)  
TEL. NOS.: (0484) 2381808, 2372767  
FAX NO.: (0484) 2370351

## **BANKER**

BANK OF INDIA

## **WORKS**

KALAMASSERY  
ALWAYE  
KERALA-683104

## PREMIER TYRES LTD.

Regd. Office: 6<sup>th</sup> Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

### NOTICE

**NOTICE** is hereby given that the forty third annual general meeting of the members of **PREMIER TYRES LTD.** will be held as under:-

<b>DAY</b>	:	Monday
<b>DATE</b>	:	19 <sup>th</sup> July, 2004
<b>TIME</b>	:	3.00 p.m.
<b>PLACE</b>	:	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 31<sup>st</sup> March, 2004 and the report of the directors and of the auditors thereon.
2. To appoint a director in place of Mr. U.S. Oberoi, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Neeraj Kanwar, 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 2004-2005 and 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: 18<sup>th</sup> May, 2004

#### 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 1<sup>st</sup> July, 2004 to 19<sup>th</sup> July, 2004 (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. 3<sup>rd</sup> 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 mode 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 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 in the same name(s) under different folios are requested to apply for consolidation of such folios by sending relevant share certificates.
9. The shares of the company are under compulsory Demat list of SEBI w.e.f. 2<sup>nd</sup> 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**

Mr. U.S. Oberoi, aged about 60 years, is a Commerce Graduate having more than 39 years experience in marketing, commercial, projects and management affairs in large industrial organisations. He joined the Company in the year 1980.

He is on the Board of Apollo Tyres Ltd. and Neeraj Consultants Ltd.

He is also holding membership of Shareholders'/Investors' Transfer/Grievance Committee of Apollo Tyres Ltd.

**Item No. 3**

Mr. Neeraj, aged about 33 years, graduated from Lehigh University, Bethlehem PA, USA as a Bachelor of Science in Industrial Engineering with specialisation in management systems.

He did his summer training at Apollo Tyres Ltd.'s Cochin Plant in 1991. After a year's training at the plant, he was recruited as a Management Trainee in American Express Bank New York/USA. In 1994, Mr. Neeraj joined the Investment Banking division of Global Finance Limited. After a brief stint there he joined Apollo Finance Limited in Corporate Financing and leasing operations. He joined the Board of the company in the year 1999.

He is on the Board of Apollo Tyres Ltd.

He is also holding membership of Shareholders'/Investor's Transfer/Grievance Committee of Apollo Tyres Ltd.

By order of the Board  
For Premier Tyres Ltd.



(Pradeep Kumar)  
Company Secretary

Place: Gurgaon.

Dated: 18<sup>th</sup> May, 2004

# PREMIER TYRES LTD.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the annual report and audited accounts of the company for the financial year ended 31st March, 2004.

1. FINANCIAL RESULTS	YEAR ENDED 31st March, 2004 (Rs/ Lakh)	YEAR ENDED 31st March, 2003 (Rs/ Lakh)
Other income	737.42	281.76
Profit before depreciation	360.94	232.59
- Depreciation	16.93	35.17
Profit before tax	344.01	197.42
- Provision for Current Tax	127.73	15.55
Profit after Current tax	216.28	181.87
- Provision for Deferred Tax	26.29	37.73
Profit after tax	189.99	144.14

## 2. OPERATIONS

During the year under review, gross income amounted to Rs.737.42 lakh as against Rs.281.76 lakh during the previous year. It includes lease rental of Rs.575 lakh (previous year Rs.150 lakh) received from Apollo Tyres Ltd. (ATL), the holding company, in accordance with the terms of the lease agreement executed with ATL. After providing for depreciation of Rs.16.93 lakh (previous year Rs.35.17 lakh), provision for current tax of Rs.127.73 lakh (previous year Rs.15.55 lakh) and provision for deferred tax of Rs.26.29 lakh (previous year Rs.37.73 lakh), the net profit amounted to Rs.189.99 lakh against the net profit amounting to Rs.144.14 lakh in the previous year. The past accumulated losses have come down to Rs. 561.71 lakh from Rs. 751.70 lakh in the previous year.

Your directors have extended the lease arrangement with ATL till 31<sup>st</sup> March, 2005.

## 3. DIVIDEND

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

## 4. DIRECTORS

Mr. U.S. Oberoi and Mr. Neeraj Kanwar, directors retire by rotation at the annual general meeting and being eligible, offer themselves for re-appointment.

**5. WHOLLY OWNED SUBSIDIARY**

Your directors are pleased to inform you that on 26<sup>th</sup> March, 2004, the company has acquired a wholly owned subsidiary named Aanchal Consultancy Services Pvt. Ltd. to provide solutions and consultancy in the field of management, finance, investment, information technology and industry. The first accounting year of the subsidiary company will close on 31<sup>st</sup> March, 2005.

**6. COST AUDIT**

Your company has filed an application with the central govt. for exempting it from the requirements of cost audit. Since your company does not have its own production as the plant has been leased out to Apollo Tyres Ltd., the cost audit report of Apollo Tyres Ltd., the holding company also covers your company's unit also.

**7. 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.

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

As the plant was leased out to Apollo Tyres Ltd. during the financial year ended 31<sup>st</sup> March, 2004 and the company is not carrying out any manufacturing activity of its own, no information is required to be furnished under Section 217 (1) (e) of the Companies Act, 1956.

**9. 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.

**10. 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 that:-

- i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2004, the applicable accounting standards have been followed and there has been no material departure;
- ii) 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, 2004 and of the profit of the company for the year ended as on date;
- iii) 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) The annual accounts have been prepared on a 'going concern' basis.

**11. HUMAN RESOURCES**

The industrial relation continued to be cordial during the year. 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.

**12. ACKNOWLEDGEMENT**

Your directors are thankful for the co-operation extended by Government of Kerala, bankers and the employees for their continual support to your company.

**For and on behalf of the Board of Directors**

  
**(ONKAR S.KANWAR)**  
**CHAIRMAN**

Place: Gurgaon

Dated: 18<sup>th</sup> May, 2004

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## **PREMIER TYRES LTD.**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your company has complied in all material respect with the features of corporate governance stipulated in Clause 49 of 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 2003-2004, 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 of the listing agreement. The minimum information to be made available to the Board as per annexure-1 forming part of Clause 49 of the listing agreement are being complied with.

##### **b) Number and dates on which the meetings of board of directors were held:** During the year, four board meetings were held on the following dates:-

9<sup>th</sup> May, 2003  
28<sup>th</sup> July, 2003  
28<sup>th</sup> October, 2003  
27<sup>th</sup> January, 2004

##### **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 meetings attended	Attendance at last AGM
		Board#	Committee##		
Mr. Onkar S. Kanwar Chairman	Non-Executive Dependent	3	-	4	Yes
Mr. K. Jacob Thomas	Non-Executive Independent	3	2	4	Yes
Mr. Neeraj Kanwar	Non-Executive Dependent	1	1	4	Yes
Mr. N. Sreekumar	Non-Executive Dependent	-	-	1	Yes
Mr. P.N. Wahal	Non-Executive Dependent	-	-	4	Yes
Mr. U.S. Oberoi	Non-Executive Dependent	2	1	4	Yes
Mrs. Vasanthakumari Nominee Director - Govt. of Kerala (Equity Investor)	Non-Executive Independent	-	-	Nil	No
Mrs. Sudha Pillai Nominee Director - Govt. of Kerala (Equity Investor)	Non-Executive Independent	5	-	1	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.

##For the purpose of committees of board of directors only Audit, Remuneration and Shareholders' Grievance committee in other public ltd. companies and subsidiaries of public Ltd. companies are considered.

### 3. AUDIT COMMITTEE

#### a) Constitution of Committee

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
Mr. K. Jacob Thomas	Chairman	4
Mr. Neeraj Kanwar	Member	3
Mr. N. Sreekumar	Member	1
Mr. P.N. Wahal	Member	4
Mr. U.S. Oberoi	Member	4

#### b) Meetings:

During the year, audit committee met four times since 01.04.2003 on the following dates:-

- 9<sup>th</sup> May, 2003
- 27<sup>th</sup> July, 2003
- 28<sup>th</sup> October, 2003
- 27<sup>th</sup> January, 2004