



Flat Products Equipments (India) Ltd.

15th
Annual Report
2000-2001



FLAT PRODUCTS EQUIPMENTS (INDIA) LIMITED 15TH ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Tilak Raj Mehta
Chairman and Managing Director
Mrs. Nishi T. Mehta
Mr. Durgadas Sengupta
Mr. Prashant Kumar Rath
Mr. Ravindra Nath Tandon

MANAGEMENT TEAM

Mr. Gopalchandra Bose
(Sr. Vice President)
Mr. J. H. Sachdev
(Sr. Vice President)
Mr. Dinesh C. Tripathi
(G.M. & Company Secretary)

REGISTERED OFFICE

43, S. P. S. Industrial Estate No. 3,
L. B. S. Marg, Bhandup (W),
Mumbai – 400 078, India.

AUDITORS

M/s. Yogesh B. Mehta,
Chartered Accountants,
Room No.25, 2nd Floor, 160 D. N. Road,
Fort, Mumbai – 400 001

WORKS

(Unit No.I)

A-84/2, 3, M.I.D.C., Taloja Industrial Area,
Taluka : Panvel, Dist.: Raigad,
Maharashtra – 410 208

BANKERS

Canara Bank,
Syndicate Bank
Union Bank of India

(Unit No.II)

Shed No.1A, S. P. S. Industrial Estate,
L. B. S. Marg, Bhandup (W),
Mumbai – 400 078, Maharashtra

SOLICITORS

DSK Legal
66, Maker Tower 'F',
Cuffe Parade, Mumbai - 400 005

(Unit No.III)

Survey No.144/1, 2-3, Village Rakholi,
Silvassa Khanvel Road,
Silvassa – 396 230, Union Territory of
Dadra & Nagar Haveli

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services
Satam Estate, 3rd Floor,
Cardinal Gracious Road, Chakala,
Andheri (E), Mumbai – 400 099.

**The Annual General Meeting will be held on Friday, 28th September, 2001
at 4.00 p.m. at Sohna Darbar Hall, S.P.S. Industrial Estate Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400078.**

Cover : L-Shaped Non-Ox Furnace for Galvanising Line.



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting of the members of the Company will be held at Sohna Darbar Hall, S.P.S. Industrial Estate Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 on Friday 28th day of September, 2001 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2001 and Profit and Loss account for the year ended on that date along with the report of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr.Durgadas Sengupta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.P.K.Rath, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, pass with or without modification/s, the following resolution as a Special Resolution: **"RESOLVED THAT** Mr.Ravindra Nath Tandon, whose term of office as an additional Director expires on conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of members and share transfer books of the company shall remain closed from August 20, 2001 to August 31, 2001 (Both days inclusive) for the purpose of dividend if approved.
3. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Any member who would like to ask any questions on Annual Account is requested to send their questions to registered office at least 10 days before the Annual General Meeting to enable the Company to answer the question satisfactorily.
5. All documents referred to in this notice and explanatory statement are open for inspection at the registered office of the company, during the office hours on all working days except holidays between 11 a.m. and 1 p.m. upto the date of Annual General Meeting.
6. Dividend for the year ended 31st March, 2001 as recommended by the Directors, if sanctioned at the Meeting will be paid on or after September 29, 2001 to those members whose names appears in the Company's Register of Members as on August 31, 2001. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depositories Limited and Central Depository Services (India) Limited for this purpose.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories of the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants.
8. According to the provision of Section 205(A)(5) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 any amount of dividend which remains unpaid or unclaimed for the period of seven years shall be transferred by the Company to the fund established under subsection 1 of section 205(C) i.e. Investor Education and Protection Fund. No money has been transferred in the aforesaid account in the year under review because no amount of dividend remain unpaid or unclaimed for the aforesaid period.

By Order of the Board of Directors

Mumbai

Dated: 16th July, 2001

Registered Office :

43, S.P.S. Industrial Estate No.3,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078

Mr.Tilak Raj Mehta
Chairman and Managing Director



ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO.6

Mr.Ravindra Nath Tandon was appointed as an additional Director w.e.f. 01.04.2001. His term of office expires at the end of this Annual General Meeting. A notice of intention from a member has been received u/s.257(1) of the Companies Act together with deposit of Rs.10,000 proposing his candidature for the post of Director. Mr.Tandon has been executive Director of M/s.M.N. Dastur & Company Limited., Mumbai and has experience of over 41 years. Appointment of this technocrat on the board of the Company will benefit the Company. None of the Directors of the Company is concerned or interested in the Resolution.

The Board recommends passing of the Resolution.

By Order of the Board of Directors

Mumbai

Dated: 16th July, 2001

Mr.Tilak Raj Mehta

Chairman and Managing Director

Registered Office :

43, S.P.S. Industrial Estate No.3,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078

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DIRECTORS' REPORT

To
The Members
Flat Products Equipments (I) Ltd.

Your Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2001.

FINANCIAL RESULTS	Current Year 2000-2001 (Rs.in Lacs)	Previous Year 1999-2000 (Rs.in Lacs)
Sales and Other Income	12779.94	10135.68
Profit before Interest, Depreciation & Tax	1398.93	294.91
Interest	510.66	445.49
Profit(+)/Loss(-) before Depreciation & Tax	888.27	(-) 150.58
Depreciation	261.82	317.55
Profit(+)/Loss(-) before Tax	626.45	(-) 468.13
Provision for Tax	25.00	0.00
Profit(+)/Loss(-) after Tax	601.45	(-) 468.13
Balance brought forward from previous year	87.47	555.60
Profit available for Appropriation	688.92	87.47
Appropriation		
Proposed Dividend	123.45	0.00
Income Tax on Dividend	12.59	0.00
Transferred to General Reserve	200.00	0.00
Balance carried forward	352.88	87.47
	688.92	87.47

DIVIDEND

Your Directors recommend a dividend on equity share capital @25% (previous year nil) i.e. Rs.2.50 per share for the period ended on 31st March, 2001. The Dividend, if approved will absorb Rs.136.04 Lacs (previous year nil) including Tax on Dividend.

OPERATIONS

Though the overall performance of the Industrial Sector in the country has been far below expectations, your company during the year under review have achieved a turnover of Rs.127.52 Crores, showing a growth of 21% over the previous year. The company's main thrust have been exports, which have increased to Rs.88 Crores against Rs.6.16 Crores in the previous year. Management has adopted aggressive cost-cutting measures, financial restructuring and process re-engineering which resulted in earning a net profit of Rs.6.01 Crores against a net loss of Rs.4.68 Crores in the previous year.

CURRENT YEAR OUT LOOK

The Indian Steel Industry is beset with a variety of problems, which includes sluggish demand and over capacity, as such your company is actively exploring to expand export market like Canada, Mexico, Costa Rica, Brazil, Philippines, China, South Korea, Thailand and other countries having good potential for exports. Large orders under negotiations is expected to increase the order book position. Taking into account the orders on hand, further orders under negotiation and barring any unforeseen circumstances, your Directors are hopeful of better performance during the coming years.

FIXED DEPOSIT

Your Company has not accepted any deposits from the public during the year under review.

DIRECTORS

Mr. Durgadas Sengupta and Mr.P.K.Rath, the directors retires by rotation and being eligible offer themselves for reappointment. Mr.Ravindra Nath Tandon was appointed as an additional director of the Company w.e.f. 1st April, 2001 and his term of office expires at the end of this Annual General Meeting and being eligible offers himself for reappointment as the Director.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care 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;
- d) the Directors had prepared the annual accounts on a going concern basis.

INSURANCE

The insurable interest in all the properties of the Company including building, plant and machinery, stocks have been adequately insured.

DISCLOSURES

The information with regards to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to the Company's (Disclosures of particulars in the report of the Board of Directors) Rule, 1988 are given in Annexure 'A' forming part of this report.

PARTICULARS OF EMPLOYEES

The information as required u/s.217(2A) of the Companies Act, 1956 read with Company's (particulars of Employees) Rule of 1975 and Company's (Disclosure of particulars in the report of Board of Directors) Rule, 1988 are given in Annexure 'B' forming part of this Report.

AUDITORS

M/s.Yogesh B.Mehta, Chartered Accountants, retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment.

PERSONNEL

The industrial relations continued to be cordial at all levels throughout the year. Your Directors wish to place on record their appreciation of the dedicated services rendered by all Executives, Staff and Workmen of the Company.

ACKNOWLEDGMENTS

Your Directors wish to thank the Central Government, Government of Maharashtra and Financial Institutions. The Company expresses its thanks to the Bankers for their support and co-operation in the form of excellent services rendered by them.

By **Order of the Board of Directors**

Mumbai

Dated: 16th July, 2001

Mr.Tilak Raj Mehta

Chairman and Managing Director

Registered Office :

43, S.P.S. Industrial Estate No.3,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078



ANNEXURE "A" TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

A. CONSERVATION OF ENERGY

Energy conservation is a continuous ongoing process and is one of the prime area for control of cost. Steps taken by the Company are as under:

- a) Energy Conservation Measures taken:
 - Intensified ongoing checks and test on performance of electrical transformer plant and better load management.
 - Electrical lighting in the department is decentralised for conservation.
 - Improvement of Power Factor.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
 - Replacing overrated motors, fans by required capacity ones, welding generators with rectifiers as and when required.
 - Improving bench marks of the past.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - The measures taken have resulted in savings in the cost of production.
- d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of Industries specified in the Schedule furnished below:

FORM A

Disclosure of particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION	2000-2001	1999-2000
i. Electricity:		
a. Purchased		
Units (Total)	769134.00	587909.00
Total Amount (Rs.in Lacs)	32.95	26.47
Rate/Unit (Rs.)	4.28	4.50
Consumption per unit of production	N.A.	N.A.
b. Own generation	NIL	NIL
ii. Coal :	NIL	NIL
iii. Furnance Oil/ H.S.D.:		
Purchased		
Units (Litres)	44821.00	9578.00
Total Amount (Rs.in Lacs)	7.34	1.19
Rate/Unit (Rs.)	16.37	12.50
Consumption per unit of production	N.A.	N.A.
iv. Others :	NIL	NIL

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per Form B furnished below:

FORM B

(Disclosure of particulars with respect to Technology Absorption)

RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company :
 - Ongoing development of new product designs/processes/methods/materials/machines/toolings, improvement of systems in existing products/processes in related manufacturing areas of industrial machinery, related electrical/ electronic products and systems.
 - Testing & Certification of existing products for conformity to new Indian/International Standards.
2. Benefits derived as a result of above R & D.
 - Indigenisation / Import substitution.
 - Cost reduction/ Improved utilisation of material & energy.
 - Technological upgradation.
 - Enhancement in quality and service to the customers.



- Development of new designs for products and processes.
 - Preparedness to counter competition in the changed liberalised environment.
3. Future Plan of Action:
- Continuation of the present work in R&D for introduction of new products and processes, Improvement in the existing products and processes in various areas in which the Company is operating.
 - Faster introduction of new products and processes.
 - Strengthening infrastructure for R & D.

4. Expenditure on R & D:

(Rs. in Lacs)

	2000-2001	1999-2000
a. Capital	38.12	84.32
b. Revenue	178.73	159.97
c. Total	216.85	244.29
d. Total R & D Expenditure as a percentage of total Turnover	1.70%	2.59%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- Training of personnel abroad for exposure to the latest products/designs, manufacturing technologies and assembly practices.
- Participating in national/International conferences, seminars and exhibitions.
- Imparting training to personnel by foreign technicians in various manufacturing techniques.
- Evaluation/adaptation/modification of imported designs/ technologies to suit indigenous requirements, alternative materials/components.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:

- Improvement in existing processes and product quality, performance, productivity, safety, product reliability and serviceability.
- Cost reduction.
- Import substitution and reduced dependence on collaborators.
- Introduction of new products with indigenous know-how.
- Better accuracy, speed, safety standards, aesthetics and economy in Engineering and Manufacturing.
- Saving in Foreign Exchange.

3. Information regarding technology imported during the last 5 years:

Sr.No.	Technology Imported	Status
1.	Continuous Stretch Levelling Lines.	Fully absorbed
2.	4 HI Non-reversing CRM for Rolling wide width Aluminum and its alloys.	Fully absorbed
3.	18 & 51/56" 4 HI Reversing CRM for Rolling wide width HR Low Carbon Steel.	Fully absorbed
4.	Furnance for Galvanising Lines.	Fully absorbed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans :

The Company has a full fledged export department. The sales engineers are in constant touch with the overseas market. The Company has agents in various countries to explore exports.

(Rs. in Lacs)

Total Foreign Exchange earning & outgo :	2000-2001	1999-2000
Foreign Exchange earned :		
- On account of Export Sales	8800.27	616.57
Foreign Exchange outgo :		
- Import of Components, Systems, etc.	1003.59	1472.85
- Capital Goods	28.65	74.77
- Commission on sales, Engineering fees, etc.	495.72	149.72
- Foreign Travels & Other expenses	72.52	78.19
Total	1600.48	1775.53