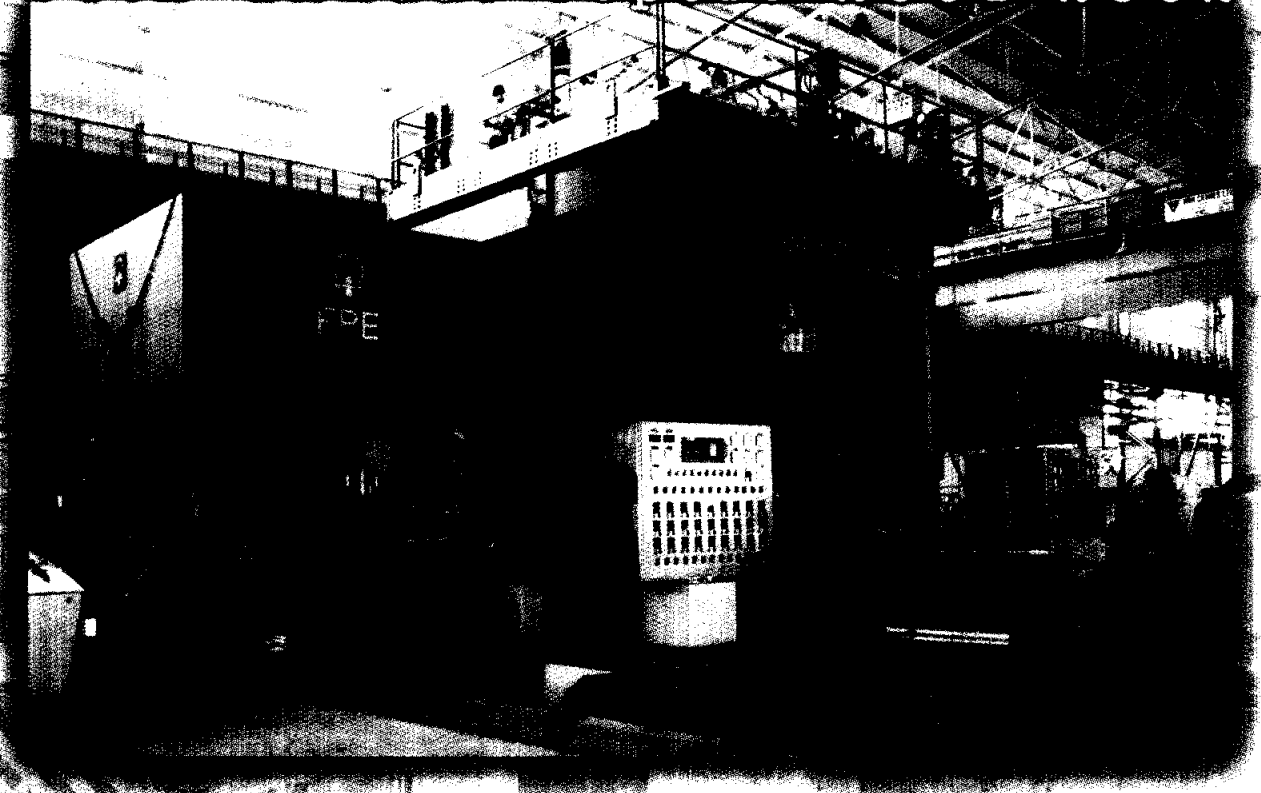


16th annual report 2001-2002



Report  junction.com

**Flat Products Equipments (India) Ltd.**

# Visions & Values



At flat Products, we don't make just Cold Rolling Mills or Stretch Levelling Machines or Galvanising Lines or Tinning Lines. What we do make, however, are state-of-art equipment to International Standards. And of course, all other auxiliary systems confirming to same quality standards. Right from the time we started - almost two decades ago we have strived to create an environment of increased credibility with our clients. A sense of fairplay, dignity, ethics for people permeate all our relationships - with our business partners, our clients, our employees and the community at large. This has fostered team spirit and a sense of belonging which have contributed so largely to the company's success. We have faith in our visions and values...Simply put, its common sense, good practise and very hard work

## **INDIA'S MAN OF METTLE**

India's Prestigious  
Metallurgist Award for 1998  
-The O. P. Jindal  
Gold Medal-  
to  
MR. T. R. Mehta



T.R. Mehta  
Chairman and Managing Director



## FLAT PRODUCTS EQUIPMENTS (INDIA) LIMITED

### 16TH ANNUAL REPORT

#### BOARD OF DIRECTORS

**Mr.Tilak Raj Mehta**  
Chairman and Managing Director  
**Mrs.Nishi T.Mehta**  
**Mr.Durgadas Sengupta**  
**Mr.S.Ananthapadmanabhan**  
**Mr.Prashant Kumar Rath**  
**Mr.Ravindra Nath Tandon**  
**Mr.Rattan Parkash Chowdhri**

#### REGISTERED OFFICE

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

#### WORKS

##### (Unit No.I)

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

##### (Unit No.II)

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

##### (Unit No.III)

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

#### BANKERS

Canara Bank,  
Syndicate Bank,  
Union Bank of India

#### MANAGEMENT TEAM

**Mr.Gopalchandra Bose** - Sr.Vice President  
**Mr.J.H.Sachdev** - Sr.Vice President  
**Mr.S.P.Bhalla** - Vice President  
**Mr.Dinesh C.Tripathi** - G.M.(Finance) & Co. Secretary

#### AUDITORS

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

#### SOLICITORS

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

#### REGISTRAR AND SHARE TRANSFER AGENT

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

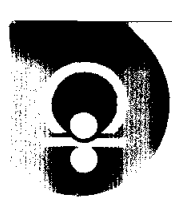
#### CONTENTS

#### Page No.

Notice .....	8
Directors' Report .....	6
Corporate Governance Report .....	11
Management Discussion & Analysis .....	18
Auditors' Report.....	20
Balance Sheet .....	22
Profit and Loss Account .....	23
Notes on the Balance Sheet and Profit and Loss Account .....	30
Cash Flow Statement .....	36

16th Annual General Meeting will be held on Saturday 14th September, 2002  
at 3.00 p.m. at Sohna Darbar Hall, S.P.S.Industrial Estate Compound,  
L.B.S.Marg, Bhandup (W), Mumbai-400078.

Flat Products Equipments (India) Ltd.



## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the sixteenth 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 Saturday 14th day of September, 2002 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 and Profit and Loss account for the year ended on that date along with the report of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Prashant Kumar Rath, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Ravindra Nath Tandon, 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 an Ordinary Resolution"  
**"RESOLVED THAT** Mr. Rattan Parkash Chowdhri, 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."
7. To consider and, if thought fit, pass with or without modification/s, the following resolution as a Special Resolution"  
**"RESOLVED THAT** pursuant to provisions of sections 198, 269, 309, 310 and 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval and consent to the appointment of Mr. S. Ananthapadmanabhan as Wholetime Director for the period of five years commencing from 3rd October, 2001 to 2nd October, 2006 on the following terms of remuneration and perquisites":
  1. Salary of Rs. 60,000/- per month with authority to the Board to fix increments from time to time.
  2. Other Allowance of Rs. 1,36,000/- per annum payable on prorata in two instalments.
  3. Perquisites : Perquisites will be in addition to salary and shall be restricted as per Government guidelines in force. The perquisites are classified into three categories A, B and C.

### CATEGORY A

#### a. HOUSING :

Expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the appointee.

Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings will be valued as per IT Rules, 1962, and will be subject to ceiling of 10% of the salary.

#### b. MEDICAL REIMBURSEMENT :

Expenditure incurred for self and family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

Insurance premium for hospitalisation under Company's Group Medical Insurance Scheme for self and family will be paid by the Company.

#### c. LEAVE TRAVEL ASSISTANCE:

For self and family, subject to a ceiling of one month's salary once in a year incurred in accordance with the rules specified by the Company.

#### d. PERSONAL ACCIDENT INSURANCE:

Subject to any ceiling that may be fixed by the Government/Company.





## Annual Report 2001-2002

### CATEGORY B

#### a. PROVIDENT FUND :

Company's contribution to Provident Fund will be as per the Employees Provident Funds Scheme of the Company.

#### b. SUPERANNUATION FUND :

Company's contribution to Superannuation Fund will be in accordance with the Scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these, either singly or put together, are not taxable under the Income Tax Act.

#### c. GRATUITY:

As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service, subject to any ceiling that may be fixed by the Government/Company.

### CATEGORY C

#### a. CAR:

Free use of car on Company's business. Use of car for private purpose will be billed by the Company.

#### b. EARNED / PRIVILEGE LEAVE:

On full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months of service.

#### c. TELEPHONE:

Free use of telephone at his residence provided that personal long distance calls will be billed by 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 Wednesday, September 04, 2002 to Saturday, September 14, 2002 (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 holiday between 11 a.m. and 1 p.m. up to the date of Annual General Meeting.
6. Dividend for the year ended 31st March, 2002 as recommended by the Directors, if sanctioned at the Meeting will be paid on or after September 14, 2002 to those members whose names appears in the Company's Register of Members as on September 14, 2002. 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 remain 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

Flat Products Equipments (India) Ltd.

*Annual Report 2001-2002*

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.

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :**

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below :

1. Name : Prashant Kumar Rath  
Age : 67 Years  
Qualifications : B.Sc (Engg.), M.S., M.I.Mech.E, FIE, FIMA  
Expertise : Vast experience in Steel Plant Engineering and Project Management.  
Director of the Company since 25th March 1997.

Other Directorship :

Name of the Company

1. Grand Industries Ltd.

2. Name : Ravindra Nath Tandon  
Age : 65 Years  
Qualifications : B.Sc., M.E.  
Expertise : Vast experience in Steel Processing, Infrastructure development and Project Management.  
Director of the Company since 1st April 2001.

Other Directorship :

Name of the Company

1. R.P.Engineers & Project Consultants Pvt.Ltd.

3. Name : Rattan Parkash Chowdhri  
Age : 66 Years  
Qualifications : B.E.(Mech.)  
Expertise : Vast experience in engineering, process improvement and Project Management.  
Director of the Company since 10th October 2001.

Other Directorship :

Name of the Company

1. Supreme Heatreaters Pvt.Ltd.  
2. Impex India Pvt.Ltd.  
3. Polar Investments Ltd.  
4. Akme Plastic Pvt.Ltd.

4. Name : S.Ananthapadmanabhan  
Age : 54 Years  
Qualifications : B.Sc., ME(IISc), MIE  
Expertise : Vast experience in Steel Plant Engineering and Turnkey Project Management.  
Director of the Company since 3rd October 2001.

Other Directorship : NIL

By Order of the Board of Directors

**Mumbai**

Dated: 29th July, 2002

**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.

**Flar Products Equipments (India) Ltd.**



## ANNEXURE TO THE NOTICE

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

**ITEM NO.6**

Mr. Rattan Parkash Chowdhri was appointed as an additional Director w.e.f.10.10.2001. 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.Chowdhri has experience of 39 years in Steel Industry. Appointment of this technocrat on the board of the Company will benefit the Company. None of the other Directors of the Company are concerned or interested in the Resolution.

The Board recommends that the Resolution be passed as an ordinary resolution.

**ITEM NO.7**

The board of Directors at its Board Meeting held on 3rd October, 2001 had appointed Mr.S.Ananthapadmanabhan, as Wholetime Director of the Company with effect from 3rd October, 2001 for a term of five years on a monthly remuneration of Rs.60000/- and other allowances of Rs.136000/- p.a. plus perquisites as per Schedule XIII of the Companies Act, 1956 subject to the approval of members in the ensuing Annual General Meeting and in respect to whom the Company has received a Notice in writing alongwith requisite deposit under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr.S.Anathapadmanabhan as a Wholetime Director of the Company. Mr.S.Anathapadmanabhan has experience of over 28 years in turnkey projects for steel plants.

Keeping in view of increased business activities of the Company and for strengthening the management and administration, the Board of Directors of the Company have appointed Mr.S.Anathapadmanabhan as Wholetime Director. Mr.S.Anathapadmanabhan may be deemed to be concerned or interested in the above mentioned Resolution which pertains to his appointment and remuneration. None of the other Directors of the Company are concerned or interested in the aforesaid Resolution.

The Board recommends that the Resolution be passed as a Special Resolution.

**By Order of the Board of Directors**

**Mumbai**

**Dated:** 29th July, 2002

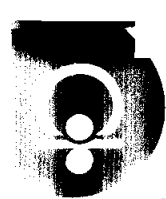
**Tilak Raj Mehta**

Chairman and Managing Director

**Registered Office:**

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

Report Junction.com

**DIRECTOR'S REPORT**

To

The Members

Flat Products Equipments (India) Ltd.

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2002.

<b>FINANCIAL RESULTS</b>	<b>Current Year 2001-2002 (Rs.in Lacs)</b>	<b>Previous Year 2000-2001 (Rs.in Lacs)</b>
Sales and Other Income	13163.95	12779.94
Profit before Interest, Depreciation & Tax	1115.42	1398.93
Interest	347.31	510.66
Profit before Depreciation & Tax	768.11	888.27
Depreciation	269.81	261.82
Profit before Tax	498.30	626.45
Provision for Tax - Current	25.00	25.00
- Deferred	4.05	0.00
Profit after Tax	469.25	601.45
Balance brought forward from previous year	352.89	87.47
Profit available for Appropriation	822.14	688.92
Appropriation		
Proposed Dividend	123.44	123.44
Income Tax on Dividend	0.00	12.59
Transferred to General Reserve	200.00	200.00
Balance carried forward	498.70	352.89
	822.14	688.92

**DIVIDEND**

Your Directors recommend a dividend on equity share capital @25% (Previous year @25%) i.e. Rs.2.50 per share (subject to deduction of tax) for the period ended 31st March 2002. The Dividend, if approved will absorb Rs.123.44 Lacs (Previous year Rs.136.03 including Tax on Dividend).

**OPERATIONS**

In spite of recessionary condition your Company during the year under review achieved turnover of Rs.130.22 Crores against the preceding year's level of Rs.127.52 Crores. The sales includes exports sales of Rs.84.03 Crores. The company's main thrust have been exports and have successfully exported and commissioned Rolling Mill and CGL plants in Germany, Japan, Ethiopia, Mexico, Nigeria, Egypt, Iran, Bangladesh Nepal & Kenya. The profit after tax for the year is Rs.4.69 Crores as against Rs.6.01 Crores for the previous year.

**FIXED DEPOSIT**

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

**DIRECTORS**

Mr.Prashant Kumar Rath and Mr.Ravindra Nath Tandon, the directors retires by rotation and being eligible offer themselves for reappointment. Mr.Anathapadmanabhan was appointed as Wholetime Director of the Company with effect from 3.10.2001 at the Board Meeting held on 3rd October, 2001 for the term of five years. His appointment will be considered for approval by members in the ensuing Annual General Meeting. Mr.Rattan Parkash Chowdhri was appointed as an additional director of the Company w.e.f.10.10.2001 and his term of office expires at the end of the forthcoming 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:

- in the preparation of the Annual Accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments 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;
- 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;
- 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 conversation 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 to particulars in the report of Board of Directors) Rule, 1988 and amended from time to time, are given in Annexure "B" forming part of this report.

**CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance along with a certificate from the auditors are given in Annexure "C" forming part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a section on management discussion and analysis is given in Annexure "D" 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.

**ACKNOWLEDEMENT**

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

By **Order of the Board of Directors**

**Mumbai**

Dated: 29th July, 2002

**Registered Office:**

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

**Tilak Raj Mehta**  
Chairman and Managing Director

**Flat Products Equipments (India) Ltd.**

## 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) RULE, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

## A. CONSERVATION OF ENERGY

Energy conservation is a continuous process and is one of the prime areas 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 decentralized for conservation.
- ◆ Improvement of Power Factor.

## b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

- ◆ Replacing overrated motors, fan by required capacity ones, welding generators with rectifiers as and when required.

## c) Improving benchmarks of the past. 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 furnishing below:

## FORM A

## Disclosure of particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION	2001-2002	2000-2001
<b>i. Electricity:</b>		
a. Purchased		
Units (Total) - KWH	971641	769134
Total Amount (Rs.in Lacs)	38.61	32.95
Rate / Unit (Rs.)	3.97	4.28
Consumption per unit of production	N.A.	N.A.
b. Own generation	NIL	NIL
<b>ii. Coal:</b>	NIL	NIL
<b>iii. Furnance Oil / H.S.D.:</b>		
c. Purchased		
Units (Total) - Litres	46784	44821
Total Amount (Rs.in Lacs)	8.28	7.34
Rate / Unit (Rs.)	17.69	16.37
Consumption per unit of production	N.A.	N.A.
d. Own generation	NIL	NIL
<b>iv. Others:</b>	NIL	NIL