



# **17<sup>TH</sup> ANNUAL REPORT 2002-2003**

**FLAT PRODUCTS EQUIPMENTS (I) LTD.**



## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the seventeenth Annual General Meeting of the members of the Company will be held at new Corporate Office at Plot No.64, Road No.13, MIDC Industrial Area, Marol, Andheri (E), Mumbai - 400 093 on Tuesday, 16th day of September, 2003 at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 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.S.Ananthapadmanabhan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.Durgadas Sengupta, 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.Krishnamurthi Ramamirtham Iyer, 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 an Ordinary Resolution :  
"RESOLVED THAT Mr.Narayan Sitaram Datar, 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."
8. 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 the sections 198, 269, 309, 310 and 314, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of previous resolution if any, the Company hereby accord its approval and consent to the appointment of Shri Tilak Raj Mehta as Chairman & Managing Director with substantial powers of management of the Company for the period of five years commencing from 1st April, 2003 to 31st March, 2008 on the following terms of remuneration and perquisites":
  1. Salary of Rs.3,50,000-35,000-5,25,000 per month with authority to the Board to fix increments from time to time.
  2. Commission : Commission at the rate of 1% on Net Profits of the Company as per the provision of Companies Act, 1956.
  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 a ceiling of 10% of the salary.

#### b. MEDICAL REIMBURSEMENT

Expenses 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 Hospitalisation and Medical Expenses Insurance Scheme for self and family will be paid by the Company.



## Annual Report 2002-2003

### c. LEAVE TRAVEL CONCESSION

For self and family once in a year incurred in accordance with the rules specified by the Company.

### d. CLUB FEES

Fees of clubs, subject to a maximum of two clubs, will be allowed. This will not include admission and life membership fees.

### e. PERSONAL ACCIDENT INSURANCE

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

## CATEGORY B

### a. PROVIDENT FUND

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

### b. SUPERANNUATION FUND

Company's contribution to Superannuation Fund will be in accordance with the Scheme of the Company.

### 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.

## 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. ENTERTAINMENT EXPENSES

Reimbursement of expenses actually and properly incurred for the business of the Company will be allowed.

### c. 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.

### d. TELEPHONE

Free use of telephone at his residence provided that personal long distance calls will be billed by the Company.

9. 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 the sections 198, 269, 309, 310 and 314, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of previous resolution if any, the Company hereby accord its approval and consent to the appointment of Smt.Nishi T. Mehta as Wholtime Director for the period of five years commencing from 1st April, 2003 to 31st March, 2008 on the following terms of remuneration and perquisites":

1. Salary of Rs.1,25,000-20,000-2,25,000 per month with authority to the Board to fix increments from time to time.
2. Commission : Commission at the rate of 0.5% on Net Profits of the Company as per the provision of Companies Act, 1956.
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 a ceiling of 10% of the salary.

### b. MEDICAL REIMBURSEMENT

Expenses 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.



## FIXED DEPOSIT

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

## DIRECTORS

Mr.S.Ananthapadmanabhan and Mr.Durgadas Sengupta, the directors retire by rotation and being eligible offer themselves for reappointment. Mr.Krishnamurthi Ramamirtham Iyer was appointed as additional Director of the Company w.e.f.20.09.2002 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.

Dr.Narayan Sitaram Datar was appointed as an additional director of the Company w.e.f. 03.03.2003 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. Mr.Rattan Parkash Chowdhri resigned as Director w.e.f. 03.02.2003. The board acknowledges the immense contribution made by Mr.Chowdhri during his tenure as Director of the Company.

## 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.



## Annual Report 2002-2003

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### 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**

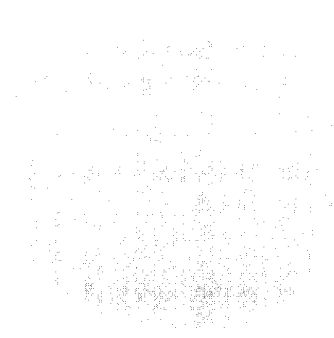
Dated: 16th July, 2003

**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) RULE, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

**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**

<b>POWER AND FUEL CONSUMPTION</b>	<b>2002-2003</b>	<b>2001-2002</b>
<b>i. Electricity :</b>		
a. Purchased		
Units (Total) - KWH	997280	971641
Total Amount (Rs.in Lacs)	35.76	38.61
Rate / Unit (Rs.)	3.59	3.97
Consumption per unit of production	N.A.	N.A.
b. Own generation	NIL	NIL
<b>ii. Coal:</b>	<b>NIL</b>	<b>NIL</b>
<b>iii. Furnance Oil / H.S.D.:</b>		
c. Purchased		
Units (Total) - Litres	31460	46784
Total Amount (Rs.in Lacs)	6.29	8.28
Rate / Unit (Rs.)	19.99	17.69
Consumption per unit of production	N.A.	N.A.
d. Own generation	NIL	NIL
<b>iv. Others:</b>	<b>NIL</b>	<b>NIL</b>

**B. TECHNOLOGY ABSORPTION:**

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





## Annual Report 2002-2003

### 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 design/processes/materials/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 utilization of material and energy.
  - Technology upgradation.
  - Enhancement in quality and service to the customers.
  - Development of new designs for products and processes.
  - Preparedness to counter competition in the changed liberalized 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 R&D.
  - Strengthening infrastructure for R & D.

#### 4. Expenditure on R&D

(Rs.in Lacs)

	2002-2003	2001-2002
a. Capital	60.14	31.77
b. Revenue	272.51	125.88
c. Total	332.65	157.65
d. Total R&D Expenditure as a percentage of total Turnover	1.85%	1.21%

#### 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, saving in foreign exchange etc.
3. Information regarding technology imported during the last 5 years.

Sr.No	Technology Imported	Status
a.	Continuous Stretch Levelling Lines.	Fully absorbed
b.	4 Hi Non-reversing CRM for rolling wide width Aluminum and its alloys.	Fully absorbed
c.	18 & 51/56" 4 Hi Reversing CRM for Rolling wide width HR Low Carbon Steel.	Fully absorbed
d.	Furnace for Galvanising Lines	Fully absorbed
e.	Acid Regeneration Plant	Under absorption

**FLAT PRODUCTS EQUIPMENTS (INDIA) LTD.**

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

**PROXY FORM**

I/We, \_\_\_\_\_  
of \_\_\_\_\_  
being a member / Members of FLAT PRODUCTS EQUIPMENTS (INDIA) LIMITED hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
or falling him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy in my/our absence to attend and vote  
for me/us, on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on 16th of September,  
2003 at 2.30 P.M. at any adjournment thereof.

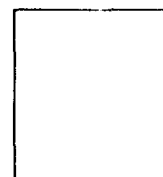
signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003

For OFFICE USE ONLY

Register Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Proxy No. \_\_\_\_\_



Signature

**NOTES :**

- The form should be signed across the stamp as per specimen signature registered with the Company.
- The proxy form should be deposited at the Registered Office of the Company Forty Eight hours before the time for holding the Meeting.

CUT HERE

**ATTENDANCE SLIP****FLAT PRODUCTS EQUIPMENTS (INDIA) LTD.**

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

Full Name of the attending member \_\_\_\_\_

Reg. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Full name of proxy/s (In Block Letters) \_\_\_\_\_

I hereby record my presence at the Seventeenth ANNUAL GENERAL MEETING held on Tuesday, the 16th day of September,  
2003 at Corporate Office : Plot No.64, Road No.13, MIDC Industrial Area. Marol, Andheri (East), Mumbai-400 093

Member's/Proxy's Signature

**Note :** The attendance slip duly filled in may please be handed over at the entrance of the Meeting Hall.





## FLAT PRODUCTS EQUIPMENTS (INDIA) LIMITED

### 17TH 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. Krishnamurthi Ramamirtham Iyer**  
**Dr. Narayan Sitaram Datar**

#### 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)

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**

#### CORE 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** - V. P. & Co. Secretary

#### AUDITORS

**M/s. Yogesh B.Mehta**- Chartered Accountants,  
401/402, Nand Prem Shopping Centre,  
Nehru Road, Vile Parle (E),  
Mumbai - 400 057.

#### 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.

Directors' Report .....	2
Corporate Governance Report .....	8
Management Discussion & Analysis .....	15
Auditors' Report .....	16
Balance Sheet .....	18
Profit and Loss Account .....	19
Notes on the Balance Sheet and Profit and Loss Account .....	27
Cash Flow Statement .....	33

17th Annual General Meeting will be held on Tuesday 16th September, 2003  
at 2.30 p.m. at our Corporate Office : Plot No. 64, Road No. 13,  
MIDC Industrial Area, Marol, Andheri (E), Mumbai - 400 093.



## Annual Report 2002-2003

### DIRECTOR'S REPORT

To  
The Members  
Flat Products Equipments (India) Ltd.

Your Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2003.

FINANCIAL RESULTS	Current Year 2002-2003 (Rs.in Lacs)	Previous Year 2001-2002 (Rs.in Lacs)
Sales and Other Income	17475.21	12867.35
Profit before Interest, Depreciation & Tax	1340.29	1115.42
Interest	344.03	347.31
Profit before Depreciation & Tax	996.26	768.11
Depreciation	245.00	269.81
Profit before Tax	751.26	498.30
Provision for Tax - Current	102.00	25.00
- Deferred	16.39	4.05
Profit after Tax	632.87	469.25
Balance brought forward from previous year	498.70	352.89
Profit available for Appropriation	1131.57	822.14
Appropriation		
Proposed Dividend	158.01	123.44
Income Tax on Dividend	20.25	0.00
Transferred to General Reserve	300.00	200.00
Balance carried forward	653.31	498.70
	1131.57	822.14

#### DIVIDEND

Your Directors recommend a dividend on equity share capital @32% (Previous year @25%) i.e. Rs.3.20 per share for the year ended 31st March 2003. The Dividend, if approved will absorb Rs.178.25 Lacs including Tax on Dividend (Previous year Rs.123.44 subject to deduction of tax).

#### OPERATIONS

During the year under review your Company achieved turnover of Rs.179.41 Crores against the preceding years level of Rs.130.22 Crores. The Sales includes export sales of Rs.127.08 Crores against previous years Rs.84.03 Crores i.e. a growth of 51% in export sales. The company's main thrust have been exports and have exported to countries like Colombia, Nigeria, Bangladesh, Korea, Malaysia, Egypt, Kenya, Germany, Iran, Vietnam, Japan & Ethiopia during the year. The profit after tax for the year is Rs.6.33 Crores against Rs.4.69 Crores for the previous year an increase of 35%.

Flat Products Equipments (India) Ltd.