



9th

**ANNUAL REPORT
2001-2002**

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LIPPI SYSTEMS LIMITED
AHMEDABAD

LIPPI SYSTEMS LIMITED

BOARD OF DIRECTORS

Shri Nandlal J. Agrawal	(Managing Director)
Shri Sanjaybhai C. Agrawal	Director
Shri Dineshbhai R. Gupta	Director
Shri Pradipji K. Kejriwal	Director

BANKERS

Bank of Baroda
Bhadra,
Ahmedabad 380 001.

AUDITORS

Ashok Dhariwal & Co.
Chartered Accountants
A/602, Narnarayan Complex,
Navrangpura,
Ahmedabad-380 009.

REGISTERED OFFICE

3rd Floor, Agrawal Chambers,
Opp. Town Hall,
Ellisbridge,
Ahmedabad 380 006.

NOTICE

NOTICE is hereby given that 9th Annual General Meeting of the members of the Company will be held on Friday, the 27th September, 2002 at 11.00 a.m. at the registered office of the Company at 3rd Floor, Agrawal Chamber, Opp. Town Hall, Ellisbridge, Ahmedabad-380 006. to transact the following business :-

1. To receive and adopt the Director's Report and Audited Balance Sheet as at 31st March, 2002 with the documents required by law to be annexed thereto.
2. To appoint a Director in place of Shri Dinesh R. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

By Order of the Board

Place : Ahmedabad

Date : 27th June, 2002

NANDLAL J. AGRAWAL

Managing Director

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxies in order to be effective, must be lodged with the company not less than 48 hours before the meetings.
3. Members, seeking any information with regard to accounts are requested to write to the company at an early date so as to enable the company to keep the information ready.
4. Members are requested to bring their copies of Annual Report to the meeting.

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DIRECTOR'S REPORT

To the Members,

Yours Directors have pleasure in presenting their 9th report together with the Audited accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Amt. (Rs. in Lacs)	
	Year ended	Year ended
	31-03-2002	31-03-2001
Total Income	467.98	405.44
Gross Profit	168.89	150.54
Depreciation	68.27	57.82
Income Tax Provision (MAT)	8.59	7.41
Deferred Tax Liability	7.16	Nil
Net Profit	84.87	85.31

DIVIDEND

Considering various factors such as present requirement of long term funds, current market condition etc., your directors have not recommended any dividend for the year under report.

OPERATIONS

During the year under review, the recessionary market conditions and financial crunch in money market prevailed through out the year. Your Directors are pleased to report that inspite of adverse market conditions your company has achieved desired results. The income from operations increased to Rs.466.98 Lacs as compared to Rs.378.83 Lacs for the previous year which is an increase of about 23% over the previous year. However, the profit margins were under pressure and it could not be increased to the extent of expectations and the net profit for the year stands to Rs.84.87 Lacs as compared to Rs.85.31 for the preceding year.

Your directors are further pleased to state that the company's expansion plan has been completed well in time and as result thereof the installed capacity of the company's plant for manufacture of Rotogravure printing cylinders has been increased to 1700 sq. mtrs. per annum from 975 sq. mtrs per annum and the commercial production at the expanded capacity commenced w.e.f. 26th December, 2001. In view of expansion of capacity your directors expect better results in future.

FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public and therefore no information is required to be furnished in respect of outstanding deposits.

DIRECTORS

Shri Dinesh R. Gupta retires by rotation and being eligible offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT.

As required under Section 217(2AA) of the Companies Act, 1956, your directors state that :

- A. In the preparation of annual accounts, the applicable accounting standards have been followed.
- B. Appropriate accounting policies have been selected and applied consistently and have

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 as at 31st March, 2002 and of the profit of the Company for the year ended on that date.

C. 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.

D. The annual accounts have been prepared on going concern basis.

Disclosures under Section 217 of the Companies Act, 1956.

1. The provisions of Sections 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, do not apply as the company has not employed any employee drawing remuneration in excess of the prescribed limits.
2. The information as required to be given under section 217(1) (e) of the Companies Act, 1956 are annexed hereto and forms part of the report.

CORPORATE GOVERNANCE

Your company is required to implement corporate governance during the current financial year i.e. within financial year 2002-2003.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year under report.

AUDITORS

M/s. Ashok Dhariwal & Co., Chartered Accountants, auditors of the Company, retires at the conclusion of the ensuing annual general meeting. The auditors being eligible for reappointment, the Board recommends their reappointment.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation and acknowledge with gratitude the efforts put in and co operation extended by bankers, shareholders, employees at all level and all other associated persons, bodies or agencies and look forward to their continued support.

For and on Behalf of the Board

Place : Ahmedabad

Date : 27th June, 2002

NANDLAL J. AGRAWAL
Managing Director

ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956.

(A) CONSERVATION OF ENERGY :

All possible measures are being taken on regular basis for conservation of energy. Total energy consumption and energy consumption per unit of production.

FORM - A

(A) POWER AND FUEL CONSUMPTION

	Year ended 31-03-2002	Year ended 31-03-2001
1. Electricity :		
(a) Purchased		
Units Nos.	393444	399080
Total Amt. (Rs.)	2239420	1835861
Rate per unit (Rs.)	5.69	4.60
(b) Own Generation		
(i) Through Diesel Gen. Set	47585	33567
Unit per Ltr of Diesel oil	4.40	3.73
Cost per unit (Rs.)	4.59	5.05
(ii) Through Steam Turbine	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other / Internal Generation	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

Consumption per sq. Mtr. of Production	Current Year	Previous Year
Electricity (No. of units)	271.23	392.26
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Other (Specify)	Nil	Nil

(B) RESEARCH AND DEVELOPMENT

The Company has no specific research and development department. However, the Company has well equipped quality control department to check the quality of its products and effective steps are being taken for its improvement.

(C) FOREIGN EXCHANGE EARNING AND OUTGO

The information is given in notes forming part of the accounts. Members are requested to refer the said notes on accounts.

AUDITOR'S REPORT

To,

The member of,
Lippi Systems Limited
Ahmedabad.

We have audited the attached Balance Sheet of Lippi Systems Limited (the Company) as at March 31, 2002 and the Profit & Loss Account of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditor's report) Order, 1988 issued by the company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph I above, we report that :

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit :
- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books.
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt by this report are prepared in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable;
- (e) On the basis of the written representations received from the directors of the company, and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2002 from being appointed as director in terms of Section 274 (1) (g) of the Companies Act, 1956; and
- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the informations required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002 and.