

42nd ANNUAL REPORT

2003-2004



Siel Limited

Siel Limited



BOARD OF DIRECTORS

Mr. Ahooja R. K.
Mr. Bhalla P. K.
Mr. Gupta Deviinder
Mr. Lahiri Subrata
Mr. Mehra A. K.
Prof. Mohan Dinesh
Mr. Shriram Siddharth
Mr. Singh K.P.

- UTI Nominee
- *ICICI Bank Nominee*
- *IFCI Nominee*
- *Chairman and Managing Director*
- *Whole-time Director*

BANKERS

Punjab National Bank
State Bank of India
State Bank of Hyderabad

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AUDITORS

A. F. Ferguson & Co.
Scindia House,
New Delhi - 110 001

REGISTERED OFFICE

5th Floor, Kirti Mahal,
19, Rajendra Place,
New Delhi-110008





NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the members of Siel Limited will be held as scheduled below:

Day : Friday
Date : 20.8.2004
Time : 11.00 A.M.
Place : FICCI Auditorium,
Federation House,
Tansen Marg,
New Delhi – 110001

to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2004 and the Profit and Loss Account of the Company for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.P. Singh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Prof. Dinesh Mohan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. A.F. Ferguson & Co., Chartered Accountants are the retiring Auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“Resolved that Mr. Siddharth Shriram who was co-opted as an Additional Director of the Company under Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company”.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“Resolved that in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company or any person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity Shares of the Company from the Stock Exchanges at Delhi, Hyderabad and Calcutta.

Siel Limited

NOTICE (Contd.)

Resolved further that the Board of Directors of the Company be and is hereby authorised to seek voluntary delisting and to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares, and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one of the Directors of the Company or the Company Secretary or any persons to do various acts, deeds and things required to be done in this behalf".

By Order of the Board of Directors
For Siel Limited

(SUSHIL KUMAR JAIN)
COMPANY SECRETARY

Place: New Delhi
Dated: 29.6.2004

NOTES:

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THEN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The information as required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18.8.2004 to 20.8.2004 (both days inclusive).
4. In compliance of SEBI requirements, with effect from 30.4.2003, M/s Mas Services Private Limited have been appointed the Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

M/s Mas Services Pvt. Ltd.
AB-4, Safdarjung Enclave,
New Delhi – 110 029
Phone No: 26104142
Fax No. : 26181081
5. Members are requested to notify immediately any change in their addresses to M/s Mas Services Pvt. Ltd. quoting their folio numbers/DP ID/Client ID etc.
6. Members who have not yet returned their undivided DCM Limited's share certificate(s) to DCM Limited may do so promptly to enable the Company to dispatch the new share certificate(s) to members.
7. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
8. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
9. Shareholders seeking any information with regard to accounts are requested to write to the Company at least



NOTICE (Contd.)

ten days in advance so as to enable the Company to keep the information ready.

10. Pursuant to provisions of Section 205A of the Companies Act, 1956 the amount of dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company would be transferred to the Investor Education and Protection Fund, constituted by the Central Government and the shareholders would not be able to claim any amount of dividend so transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company for the Financial Year 1996-97.

In respect of the unclaimed dividends upto financial year 1994-95, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by writing to the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003. In case any assistance is required, please write to the Company, at its Registered Office.

11. In terms of Section 109 (A) of the Companies Act, 1956 the Shareholder of the Company may nominate a person to whom the shares held by him shall vest in the event of death.

In case you wish to avail the nomination facility in respect of shares held by you, please write to the Company to obtain the nomination form.

12. The equity shares of the Company have been notified for compulsory trading in demat form by all investors from 27th November, 2000 and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant (DP) at the following address:

M/s Mas Services Pvt. Ltd.
AB-4, Safdarjung Enclave,
New Delhi – 110 029
Phone No: 26104142
Fax No. : 26181081

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/reappointed are as given below:

- | | | |
|------------------------------|---|--|
| 1. Name | : | Mr. K.P. Singh |
| Age | : | 68 years |
| Qualifications | : | M.A. in History and Political Science |
| Expertise | : | Vast experience of working at senior position in various Companies like Zuari Agro Chemicals Ltd. (a Birla Group Company), ITC Limited and DCM Limited. Instrumental in implementation of growth and diversification of these Companies. Director of the Company since 1990. |
| Outside Directorships | : | M/s. Sowar Pvt. Ltd.
M/s. SRK Travels & Tours Pvt. Ltd. |

Siel Limited

NOTICE (Contd.)

Membership/Chairmanship of the Board Committees of the Company	<ul style="list-style-type: none"> : - Shareholders/Investors - Member : - Grievance/Share Transfers/ Banking Committee - Business Review Committee - Member (Jay Engineering Works Ltd.) - Allotment of Equity Shares on - Chairman Preferential basis and also NCDs/RCCPS to FIs/Banks - Legal Sub-Committee - Member - Divestment Committee - Member
2. Name	: Prof. Dinesh Mohan
Age	: 59 years
Qualifications	: Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B.Tech (Hons.) in Mechanical Engineering.
Experience	<p>: Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi.</p> <p>He is member of the WHO Advisory panel on Accident Prevention. He serves on the editorial boards of the international journal. Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses.</p> <p>Recipient of many prestigious awards.</p>
Outside Directorships	: None.
Membership/Chairmanship of the Board Committees of the Company	<ul style="list-style-type: none"> - Audit Sub-Committee - Chairman - Shareholders/Investors - Chairman Grievance/Share Transfers/ Banking Committee - Remuneration Committee - Member
3. Name	: Mr. Siddharth Shriram
Age	: 59 years
Qualifications	: Graduate from St. Stephens College, Delhi University. M.Sc. in Management from MIT USA as a Sloane Fellow.
Experience	: Mr. Siddharth Shriram has vast experience of 37 years of managing various companies at senior most positions like Chairman/ President etc.

NOTICE (Contd.)

Outside Directorships

: Chairman & Managing Director

- Mawana Sugars Limited

Chairman

- Honda Siel Power Products Limited
- Honda Siel Cars India Limited
- Usha International Limited
- Shivajimarg Properties Limited
- Siel Holdings Limited
- The Jay Engg. Works Limited
- Ceratizit India Pvt. Ltd.
- Daikin Shriram Airconditioning Pvt. Ltd.
- SFSL Securities Pvt. Limited

Director

- Hongo India Pvt. Ltd.
- Shriram Fuel Injection Industries Ltd.
- Covrad Heat Transfer Ltd. (U.K.)
- Sietal Limited (U.K.)
- Siel S A (Pty) Ltd. (South Africa)
- Crisp Air (Pty) Ltd. (South Africa)
- 5 Cyprus Drive (Pty) Ltd. (South Africa)
- Madan Shree Enterprises Limited
- M.S.R. Enterprises Limited
- Doab Foods & General Industries Limited
- Perennial Investments Limited
- Nanglamal Sugar Limited

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

ITEM NO.5

Mr. Siddharth Shriram was co-opted as an Additional Director on the Board of the Company effective from 30.9.2003 and was also appointed as Managing Director of the Company for a period of 5 years effective from 30.9.2003 without any remuneration.

The said appointment of Mr. Siddharth Shriram as Managing Director of the Company has been approved in the Extra Ordinary General Meeting held on 8.5.2004.

Mr. Siddharth Shriram is a renowned Industrialist of India. He hails from Shriram family and is son of Dr. Charat Ramji, a leading Industrialist of the Country. He has vast experience in heading the business. He has been associated with the Company since inception.

Mr. Siddharth Shriram is also the Managing Director of Mawana Sugars Limited from where he draws remuneration. He will continue to be the Managing Director of Mawana Sugars Limited in addition to the Managing Director of the Company.

Your Directors feel that the professional qualities of Mr. Siddharth Shriram are of great value to the Company and his continuance on the Board of the Company will be beneficial to the Company.

Siel Limited

NOTICE (Contd.)

Mr. Siddharth Shriram holds office of the Additional Director of the Company upto the date of this Annual General Meeting in terms of the Section 260 of the Companies Act, 1956. Notice U/S 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intent to propose the candidature of Mr. Siddharth Shriram for the Office of the Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Siddharth Shriram is concerned or interested in the said resolution.

ITEM NO.6

Pursuant to the Scheme of Arrangement (the Scheme) as approved by the Hon'ble High Court of Delhi vide order dated 26.8.2003, the shareholders of Siel Limited were issued 3 fully paid up new equity shares of Rs.10/- each in Siel Sugar Limited (in which the Sugar business of your company has been vested) and one new fully paid up equity share of Rs.10/- of your Company for every 4 fully paid up equity shares of Rs.10/- each held in Siel Limited on 30.10.2003, the Record Date.

The existing equity shares were cancelled on the Record Date.

The new equity shares of your Company issued pursuant to the Scheme have been listed on Mumbai & Hyderabad Stock Exchanges. Applications made for listing of these shares on Delhi & Calcutta stock exchanges are still pending. The listing fee upto the year 2003-04 has been paid to all the stock exchanges.

It has been for quite some time that there has been no or very little trading in the Company's shares on Delhi Stock Exchange (DSE), Calcutta Stock Exchange (CSE) & Hyderabad Stock Exchange (HSE). It is therefore considered desirable to get the equity shares of the Company delisted from HSE and also from DSE and CSE. The exit opportunity is not required to be given for this purpose since the equity shares shall continue to be listed on Mumbai Stock Exchange having the nationwide trading terminals, where the shares of your Company are regularly traded. Hence the interest of the shareholders is not affected.

Recently, SEBI has promulgated the Securities & Exchange Board of India (Delisting of Securities) Guidelines 2003, which permit the listed companies to get their securities voluntarily delisted from the stock exchanges, including the regional stock exchange.

Your Directors recommend the resolution for your approval by way of a Special Resolution.

None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board of Directors
For **Siel Limited**

(SUSHIL KUMAR JAIN)
COMPANY SECRETARY

Place: New Delhi

Dated: 29.6.2004



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 42nd Annual Report along with Audited Accounts of the Company for the year ended March 31, 2004.

The Scheme of Arrangement (the Scheme) for financial and business restructuring of your Company has been approved by the Hon'ble High Court of Delhi vide its Order dated 26th August 2003. The Scheme became effective on September 5, 2003 on filing of the certified copy of the Court Order with the Registrar of Companies, NCT of Delhi & Haryana.

UTI, one of the lenders to your Company filed an appeal against the said Order of the Court sanctioning the Scheme but there were no restraints on implementation of the Scheme as approved by the Hon'ble High Court and the same has been implemented by your Company. The sale of shares of Shivajimarg Properties Limited is still not concluded owing to UTI not agreeing to the Scheme.

Pursuant to the Scheme the shareholders have been issued three fully paid up equity shares of Rs.10/- each in Siel Sugar Limited (now known as Mawana Sugars Limited) and one new fully paid up equity share of Rs.10/- of your Company for every four fully paid up equity shares of Rs.10/- each held in your Company. Thus the paid up equity capital in your Company has been split into two Companies i.e. Siel Limited and Siel Sugar Limited.

In compliance with the financial

projections approved by the Empowered group of Corporate Debt Restructuring (CDR) Cell, which are implemented through the Scheme, it is proposed to offer 80,00,000 equity shares of Rs.10/- each for cash at par to Mawana Sugars Limited (formerly known as Siel Sugar Limited). The allotment of said equity shares is proposed to be completed by September 30, 2004.

The accounts for the year ended March 31, 2004 have been prepared after taking into account the effect of the Scheme of Arrangement.

The financial results of your Company for the current year are not comparable as these are for 12 months and exclude the figures of the transferred undertakings whereas

the corresponding previous period was for 18 months ended March 31, 2003 which includes the figures of sugar undertaking transferred to Mawana Sugars Limited (previously Siel Sugar Limited) pursuant to the Scheme w.e.f. Oct 1, 2002.

DIVIDEND

In the absence of any divisible profits, your Directors regret their inability to recommend any dividend for the year ended March 31, 2004.

OPERATIONS

A review of operations of the major businesses of your Company, for the year ended March 31, 2004 is as follows (some discussion is also presented in the Management Discussion and Analysis Report):

FINANCIAL RESULTS

	(Rs. Lacs)	
	Year Ended 31.03.04	18 months Period Ended 31.03.03
Profit / (Loss) before Interest, Depreciation and Adjustment pursuant to the Scheme of Arrangement	(2232.73)	1287.33
Less : Interest	375.51	8326.41
: Depreciation	1143.63	3178.10
Profit / (Loss) before Interest, Depreciation and Adjustment pursuant to the Scheme of Arrangement	(3751.87)	(10217.18)
Add : Adjustment pursuant to the Scheme	6782.85	-
: Debenture redemption reserve written back	2523.90	805.70
: Investment allowance reserve written back	-	0.59
: Balance of Profit / (Loss) brought forward from previous period /year after adjustment indicated above	(9087.19)	323.70
Balance carried to Balance Sheet	(3532.31)	(9087.19)