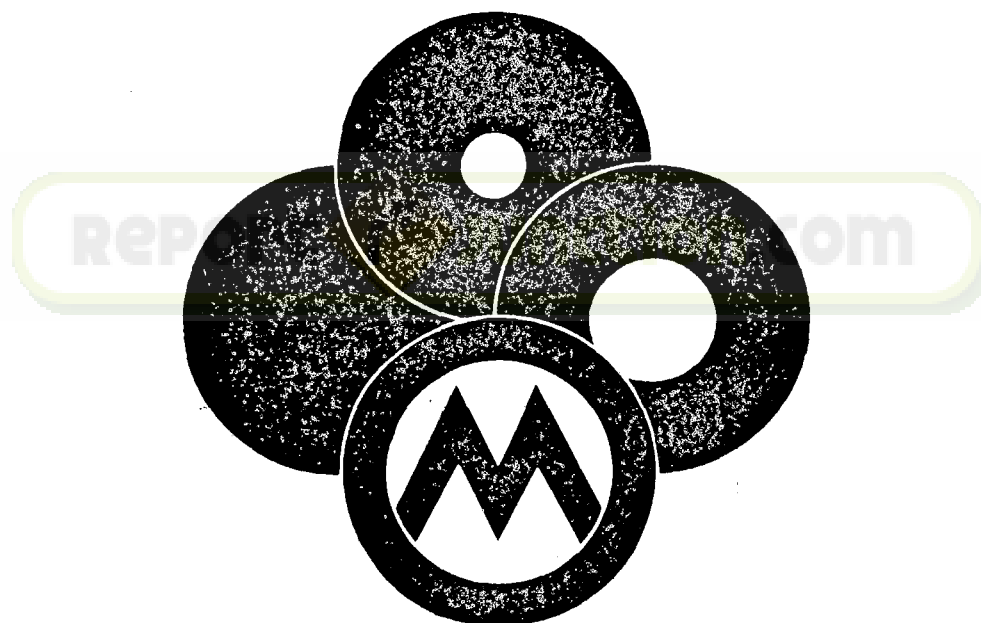


MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

18th annual report 1997-98



Mipco Seamless Rings (Gujarat) Ltd.

**MIPCO
SEAMLESS
RINGS
(GUJARAT)
LIMITED**



Eighteenth
Annual
Report
1997-98

DIRECTORS Mr. M.I. Patel, *Chairman*
Mr. P.M. Patel, *Vice Chairman*
Mr. S.M. Patel, *Managing Director*
Mr. T.M. Patel
Mr. B.C. Randeria
Mr. Y.H. Malegam
Mr. B.R. Patel
Mr. Y.P. Dandiwala
Mrs. S. Amdekar (*Nominee of ICICI*)

AUDITORS Messrs. Parikh & Shah
Chartered Accountants

BANKERS Bank of Baroda

**REGISTERED OFFICE
AND
WORKS** Plot No. 109,
GIDC Industrial Estate,
Bharuch-392 015
(Gujarat)

Eighteenth Annual General Meeting on
Thursday, the 24th September, 1998 in
the Conference Room of The Antifriction
Bearings Corporation Limited, GIDC Estate,
Bharuch - 392 015 (Gujarat) at 12 Noon.

CONTENTS	Page
Notice	3
Directors' Report	6
Auditors' Report	9
Balance Sheet	10
Profit and Loss Account	11
Schedules to Balance Sheet	12
Schedules to Profit & Loss A/c.	15
Cash Flow Statement	19
Balance Sheet Abstract	20



MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** will be held in the Conference Room of The Antifriction Bearings Corporation Limited at GIDC Industrial Estate, Bharuch 392 015 on Thursday, the 24th September, 1998 at 12.00 noon to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. B. C. Randeria who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Y. P. Dandiwalla, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby approves the re-appointment of Mr.S.M. Patel as Managing Director of the Company for a further period of five years from 1st August 1998, on the terms and conditions including remuneration as are set out in the draft Agreement to be entered into by the Company with him, now submitted to the meeting, and for the purpose of identification, initialled by the Chairman which agreement is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limit, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Directors and Mr. S.M. Patel or as may be varied by the General Meeting and that the consent of the Company be and is hereby accorded to his holding an office or place of profit as Managing Director."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter and/or modify the terms and conditions relating to the remuneration, commission payable and perquisites to be provided for Mr. S. M. Patel as Managing Director of the Company in accordance with any change that may be effected from time to time in Schedule XIII to the Companies Act, 1956, or any amendments and/or modifications including any guidelines or modifications as may be made by the Central Government from time to time."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. S. M. Patel as aforesaid shall be governed by section II of part II of Schedule XIII to the Companies Act, 1956, as in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

NOTES :

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item No.6 as set out above is annexed hereto.
3. If dividend is declared at the meeting, payment of such dividend will be made to those shareholders or their mandatee(s) whose names appear in the Company's Register of Members on 24th September, 1998.
4. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday the 9th September, 1998 to Thursday the, 24th September, 1998 (both days inclusive) for the purpose of payment of dividend.
5. Members are requested to intimate the change of their address, if any.
6. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
7. Members are requested to write to the Company, queries, if any, regarding Accounts to reach the Company at least ten days before the meeting to enable the management to keep the information ready at the Meeting.

Mumbai

Date : 26th June, 1998.

Regd. Office:

Plot No. 109,
GIDC Industrial Estate,
BHARUCH - 392 015.

By order of the Board
For MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

S. M. PATEL
MANAGING DIRECTOR



MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out all material facts relating to the special business mentioned under item no. 6 of the accompanying notice.

Item No 6 : Special Resolution

Mr. S.M.Patel, Managing Director, was appointed by the Company for a period of 5 years with effect from 1st August, 1993 and the appointment is valid till 31st July, 1998. The Board of Directors, at their meeting held on 26th June 1998 re-appointed Mr. S. M. Patel as the Managing Director of the Company for a further period of 5 years from 1st August, 1998, on the following terms and conditions:-

- I) Salary : Rs.80,000/- per month from 1st August, 1998 with annual increment of 10% of the salary.
- II) Perquisites & Allowances :

In addition to salary, the Managing Director shall be entitled to perquisites and benefits like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, payment of actual expenses for utilisation of gas, electricity, water, medical expenses, leave travel concession for self and family, club fees, medical insurance and such other perquisites subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

- III) Commission :

As may be decided by the Board of Directors at the end of each year calculated with reference to the net profits of the Company in a particular financial year.

The minimum remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the period of his appointment will be subject to a maximum ceiling limit of Rs.10,50,000/- per annum or Rs. 87,500/- per month in the manner set out in Section II Part II of Schedule XIII to the Companies Act, 1956 or any amendment thereto.

The particulars set out above may be treated as an abstract of the draft agreement proposed to be entered into between the Company and Mr. S. M. Patel which is required to be given to every member under the provisions of Section 302(2) of the Companies Act, 1956.

Mr. S. M. Patel himself and Mr. M. I. Patel, Mr. P. M. Patel and Mr. T. M. Patel who are related to Mr. S. M. Patel, are interested in the above resolution. Excepting them no other director is interested.

The Board of Directors of the Company recommends passing of the resolution for the re-appointment of Mr. S. M. Patel as the Managing Director of the Company for a term of five years commencing from 1st August, 1998.

The draft agreement to be entered into with Mr. S. M. Patel referred to above is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. and 2 p.m. on any working day, except Mondays, till the conclusion of the ensuing Annual General Meeting.

By order of the Board
For MIPCO SEAMLESS RINGS (GUJARAT) LTD

Mumbai
Date: 26th June, 1998.

S. M. PATEL
MANAGING DIRECTOR



MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present their 18th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1998.

WORKING RESULTS :

	For the year ended 31.03.1998 Rs. in lacs	For the year ended 31.03.1997 Rs. in lacs
Gross Profit before Interest, Depreciation and Tax	248.40	636.23
Less : Interest	183.46	177.23
Depreciation	124.24	176.58
Profit before tax	(59.30)	282.42
Provision for tax	—	105.00
Profit after tax	(59.30)	177.42
Add : Balance brought forward from previous year	69.95	71.38
Investment Allowance Reserve written back	77.00	—
Amount available for appropriations	87.65	248.80
APPROPRIATIONS :		
Proposed Dividend	26.88	71.68
Income tax on proposed dividend	2.69	7.17
General Reserve	—	100.00
Surplus carried to Balance Sheet	58.08	69.95
	87.65	248.80

DIVIDEND :

The Directors are pleased to recommend a dividend of 7.5% (previous year 20%) for the year ended 31st March, 1998, which, if approved by the members at the Annual General Meeting, will absorb a sum of Rs. 29.57 lacs inclusive of dividend tax.

OPERATIONS :

Sales during the year was lower at Rs.1935.83 lacs as against Rs. 2883.98 lacs during the previous year, mainly on account of general economic recession and poor performance of auto sector. The depression in industry continues. The Company has taken effective steps wherever possible to contain costs.

DIRECTORS :

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr B. C. Randeria and Mr. Y. P. Dandiwalla, Directors, retire by rotation, and being eligible, offer themselves for reappointment.

AUDITORS :

M/s. Parikh & Shah, the present auditors, have furnished a Certificate regarding their eligibility for reappointment as Company's Auditors pursuant to Section 224 (1B) of the Companies Act, 1956.

CONSERVATION OF ENERGY :

The Company has done a survey of all electrical installations and steps taken to make effective use

MIPCO SEAMLESS RINGS (GUJARAT) LIMITED



and reduce any wastage.

Particulars required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are annexed hereto in Form 'A'.

TECHNOLOGY ABSORPTION :

The Company has no technical collaboration and therefore absorption of technology is not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Earnings - Rs. Nil
Outgo - Rs. 191.66 lacs

PARTICULARS OF EMPLOYEES :

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, Report and the Accounts are being sent to all the shareholders of the Company excluding the

aforesaid information. Any shareholder interested in obtaining such particulars may write to the registered office of the Company.

INDUSTRIAL RELATIONS :

Industrial relations generally remained satisfactory during the year.

ACKNOWLEDGMENT :

The Directors place on record their appreciation for the devoted services of the executives, staff and workers at all levels.

The Directors also acknowledge the co-operation and support extended to the Company by Financial Institutions and Bank.

For and on behalf of the Board

M. I. Patel
Chairman

Mumbai,
26th June, 1998.