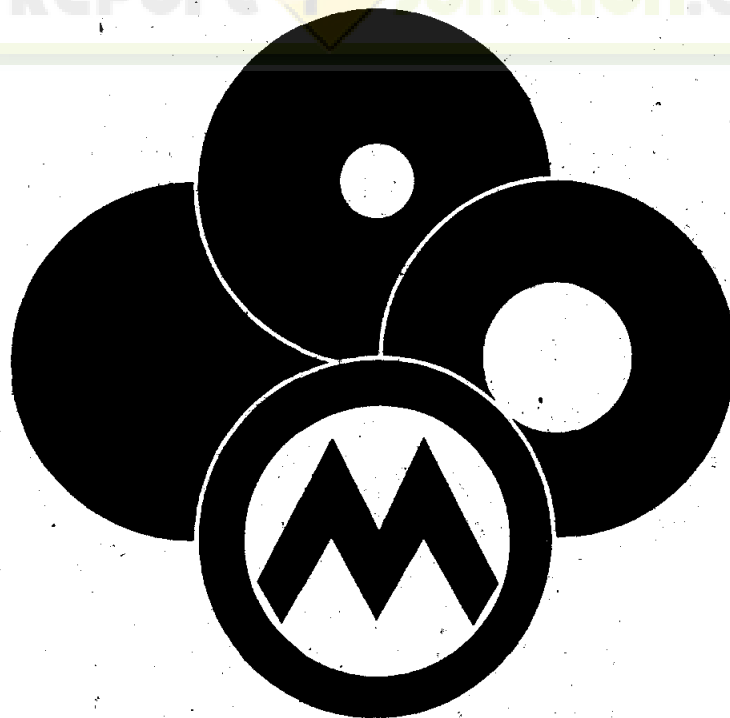


22nd Annual Report 2001- 2002

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Mipco Seamless Rings (Gujarat) Limited

MIPCO SEAMLESS RINGS (GUJARAT) LIMITED**MIPCO
SEAMLESS
RINGS
(GUJARAT)
LIMITED****DIRECTORS**

Mr. M.I.Patel, Chairman

Mr. P.M.Patel, Vice Chairman

Mr. S.M.Patel, Managing Director

Mr. T.M.Patel

Mr. S.N.Bhandari
(Nominee of ICICI)**AUDITORS****Messrs.Parikh & Shah**
Chartered Accountants**BANKERS****Bank of Baroda****REGISTERED
OFFICE
AND WORKS**Plot No. 109
G.I.D.C. Industrial Estate,
Bharuch - 392 015,
(Gujarat)

Twenty Second Annual General Meeting on Wednesday the 10th July, 2002, in the Conference Room of the Regd. Office of the Company, at 109, GIDC Estate, Narmadanagar, Bharuch - 392 015 (Gujarat), at 11.30 A.M.

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NOTICE

NOTICE is hereby given that the Twenty second Annual General Meeting of the members of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** will be held at the Registered Office of the Company, at G.I.D.C. Industrial Estate, Narmadanagar, Bharuch -392015, on Wednesday the 10th July, 2002, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended 31st March, 2002 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.M.I.Patel, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr.P.M.Patel, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint the Auditors and to fix their remuneration.

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 the report of the Board of Directors dated the 22nd May, 2002, to The Board for Industrial and Financial Reconstruction, reporting the erosion of Net Worth of the Company, in terms of the provisions of Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 and such other applicable provisions, be and is hereby confirmed."

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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the 5th July, 2002 to the 10th July, 2002 (both days inclusive).
3. Members are requested to intimate the change in their address, if any.
4. 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.
5. Members are requested to write to the Company for any queries, regarding Accounts, so as to reach the Company at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.

By Order of the Board,
 For **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED**

Dated : 22nd May, 2002
 Mumbai.

S.M.PATEL
 Managing Director

Regd. Office:

Plot No. 109, GIDC Industrial Estate,
 Narmada Nagar, Bharuch - 392015.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5:

Due to continued unprofitability of the operations, the Company's Net Worth as on 31st March 2002 stands totally eroded. Under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, a reference is to be made to the BIFR immediately after the fact of the erosion is brought to the notice of the Board of Directors. The Board of Directors took cognisance of the erosion of the networth of the Company, at the meeting held on 22nd May, 2002. The Board also authorized that a reference be made to the BIFR under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, based on the audited figures. Hence a reference was made to the BIFR, by the Managing Director, reporting the erosion of the Company's Net Worth. A copy of the reference is placed before the Meeting.

Approval of the Members is sought for the reference made to BIFR, as indicated above.

The Board recommends the Resolution at Item No. 5 for the approval of the Members.

MIPCO SEAMLESS RINGS (GUJARAT) LIMITED**DIRECTORS' REPORT**

Dear Members,

The Directors have pleasure in presenting herewith their 22nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS :

Rs. In lacs.

	Year ended 31.03.2002	Year ended 31.03.2001
Gross Profit before Interest		
Depreciation and Tax	48.05	97.16
Less: Interest & Fin. Charges	312.59	284.83
Depreciation	114.68	96.54
Loss for the year	(379.22)	(284.21)
Income tax for earlier years	2.30	
Balance Brought forward		
from previous year	(1035.89)	(751.68)
Loss carried to Balance Sheet	(1412.81)	(1035.89)

OPERATIONS:

The Company, due to its sustained efforts, was able to register a higher gross turnover of Rs. 2208.17 Lacs for the year, as against a sale of Rs. 2110 Lacs during the preceding year. However, despite the increase in the turnover, the operating loss stands higher at Rs.379.22 lacs. The Company is hopeful of finding new customers, with special emphasis on exports.

SICK INDUSTRIAL STATUS

Due to the continued loss, as on 31st March, 2002, the entire Net Worth of the Company stands eroded. Under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, a reference to the BIFR is to be made by the Company based on the Audited Figures for the period ending 31st March, 2002.

DIVIDEND :

In view of the loss, the Directors do not recommend any dividend for the current year.

DIRECTORS :

Pursuant to the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. M.I.Patel and Mr. P.M.Patel, Directors, retire by rotation, and being eligible, offer themselves for reappointment.

During the year under review, Mr. B.C.Randeria, Mr. Y.H.Malegam and Mr. Y.P.Dandiwala, who have been associated with your Company for a long time as Directors, resigned. The Company places on record its deep sense of appreciation for the support and guidance given by the Directors.

AUDITORS:

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

FIXED DEPOSITS:

During the year under review, your Company has not accepted or renewed any Deposits from the Public.

*** CONSERVATION OF ENERGY:**

The Company has been endeavouring constantly to improve on the consumption of energy. The particulars required to be published under the 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 does not apply.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings : Rs. 5.70 Lacs
Outgo : Rs. 0.93 Lacs.

PARTICULARS OF EMPLOYEES:

The Company has no employee whose name and particulars are to be disclosed under the provisions of Sec.217 (2 A) of the Companies Act, 1956, in terms of the recent amendment to the Companies (Particulars of Employees) Rules, 1975.

INDUSTRIAL RELATIONS:

Your Company continues to enjoy cordial relationship with its employees at all levels.

AUDIT COMMITTEE:

The Audit Committee constituted under the Chairmanship of Mr.B.C. Randeria, had sittings on the 12th June, 2001, 29th October, 2001 and 28th March, 2002 during the financial year 2001/2002.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (AA) of the Companies Act, 1956, relating to the Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2002, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- the Directors have selected such Accounting Policies and applied them consistently and made judgements 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 the end of the financial year and of the profit or loss of the Company for the year under review;
- the Directors have 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.
- these Accounts for the financial year ended 31st March, 2002, have been prepared on a "going concern" basis.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the sincere services being rendered by the executives, staff and workers at all levels. The Directors also wish to acknowledge the co-operation and support extended to the Company by the Financial Institutions and Bankers.

For and on behalf of the Board,

Dated : 22nd May, 2002.
Mumbai.

P. M. Patel
Vice Chairman.

ANNEXURE TO DIRECTORS' REPORT
FORM 'A' (See Rule 2)

Information as required by Section 217 (1) (e) of the Companies Act, 1956:
Form for disclosure of particulars with respect to conservation of energy.

	2001-2002	2000-2001
A. Power and Fuel Consumption		
1. Electricity :		
(a) Purchased		
Units	3385985	3795357
Total Amount (Rs.)	19857011.78	22071737.89
Rate/Unit (Rs.)	5.86	5.82
(b) Own Generation		
(i) Through diesel generator unit	-	-
Units per Ltr. of Diesel Oil	-	-
Cost/Unit	-	-
(ii) Through steam turbine/generator units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost/Unit	-	-
(iii) Through Wind Farm Projects		
Units	665612	985946
Total Amount (Rs.)	2985447.13	3717443.36
Rate/Unit (Rs.)	4.49	3.77
2. Coal :		
Quantity (tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil Quantity in Kl.		
Total Cost	-	-
Average rate per Kl.	-	-
4. Other Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. Consumption per unit of production		
Forged/Rolled Ring for Bearing Races.		
Electricity (Rs.)	2.07	2.20
Furnace Oil	-	-
Coal (specify quality)	-	-
Others (specify)	-	-

MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

AUDITORS' REPORT

To,
THE MEMBERS OF MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

We have audited the attached Balance Sheet of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- (iii) The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the books of account of the Company;
- (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
- (v) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of Section 274 (i) (g) of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2002; and
 - (b) in the case of Profit and Loss Account of the Loss for the year ended on that date.

Mumbai,
24th May, 2002.

FOR PARIKH & SHAH
CHARTERED ACCOUNTANTS

H. K. Desai
PARTNER