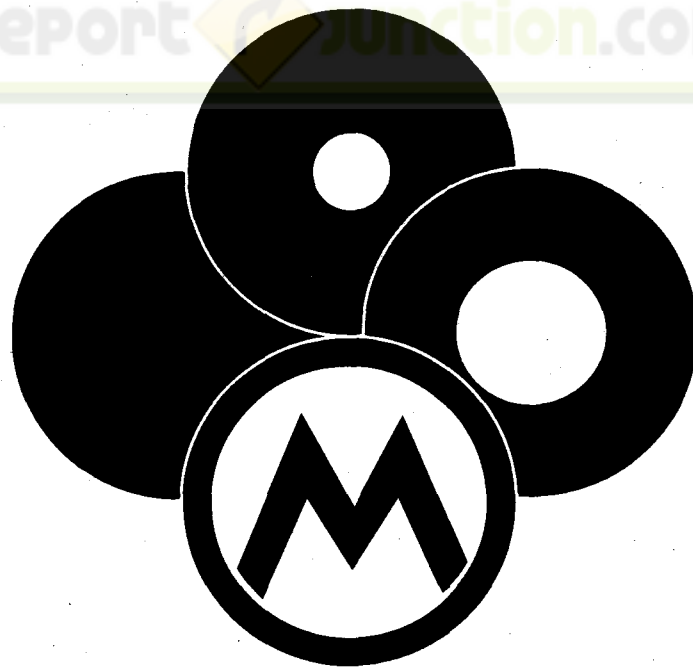


27th Annual Report 2006-2007



Mipco Seamless Rings (Gujarat) Limited





MIPCO SEAMLESS RINGS (GUJARAT) LIMITED

BOARD OF DIRECTORS Mr. T.M. Patel Chairman
Mr. S.M. Patel Managing Director
Mr. S.V. Subramania Iyer
Mr. Jal R. Patel

AUDITORS Parikh & Shah
Chartered Accountants

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

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Twenty-Seventh Annual General Meeting on Tuesday, the 17th July, 2007 in the Conference Room of the Registered Office of the Company, at Plot No.109, GIDC Industrial Estate, Narmada Nagar, Bharuch – 392 015, (Gujarat), at 3.00 p.m.

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Mipco Seamless Rings (Gujarat) Limited

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** will be held in the Conference Room of the Registered Office of the Company at Plot No. 109, GIDC Industrial Estate, Narmadanagar, Bharuch-392 015 on Tuesday, the 17th July, 2007, at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. T.M. Patel who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

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 Tuesday, the 10th July, 2007 to Tuesday, the 17th July, 2007 (both-days inclusive).
3. Members are requested to notify their change of 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.

Registered Office:
Plot No.109, GIDC Industrial Estate,
Narmadanagar, Bharuch – 392 015.

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

Date: 11th May, 2007.

S.M. PATEL
Managing Director



DIRECTORS' REPORT

Dear Members,

The Directors present herewith their 27th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS:

	Year ended 31.03.2007 Rs. in lacs	Year ended 31.03.2006 Rs. in lacs
Gross Profit/(Loss) before Interest, Depreciation and Tax	(66.99)	(111.87)
Less : Interest	-	0.09
Depreciation	0.05	43.54
Loss for the year	(67.04)	(155.50)
Extraordinary Items:		
Interest Remission on one time settlement	-	94.37
Less : Provision for Tax:		
Fringe Benefit Tax	0.50	0.88
Income Tax for earlier years	1.09	-
Deferred Tax charge /credit	(48.21)	245.22
Add : Balance Brought forward from previous year	(1878.81)	(2062.02)
Loss carried to Balance Sheet	<u>(1995.65)</u>	<u>(1878.81)</u>

OPERATIONS:

The Company has temporarily closed its manufacturing operations with effect from second quarter of the year.

SICK INDUSTRIAL STATUS

As informed to you earlier, on account of sustained loss, the entire Net Worth of your Company stood eroded as at 31st March, 2002 and as required under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and based on the Audited Figures for the period ended 31st March, 2002, a reference was made to the BIFR by your Company.

DIVIDEND:

In view of the loss, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS:

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

DIRECTORS:

Mr. T.M. Patel, a Non-Executive Director of the Company, retires by rotation and being eligible, offers himself for re-appointment. Necessary resolution for his re-appointment is being placed before the members for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act 1956, your Directors report that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures, if any.

2. such accounting policies have been selected and applied consistently and the judgments and estimates made 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 Loss of the Company for that year.
3. 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.
4. the accounts have been prepared on a going-concern basis since the Directors are considering and evaluating ways and means to restructure operations by taking into account appropriate business strategies and financial viabilities.

AUDITORS REPORT:

Verification of inventory at the end of the year as mentioned in 2(a) and 2(c) of the annexure to Auditors' Report was not carried out due to suspension of all activities.

In regard to qualification at Sr. No.7 of the annexure to Auditors' Report, your Directors state that in view of very few transactions and no business activities, no internal audit was carried out.

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited. A separate report on Corporate Governance along with Auditors' certificate on its compliance is attached to this Report. Management Discussion and Analysis, as prescribed by the Listing Agreement, also forms a part of the Annual Report.

REPORT ON ENERGY CONSERVATION AND RESEARCH AND DEVELOPMENT ACTIVITIES:

Information relating to Energy Conservation, Foreign Exchange Earned and Spent and Research and Development activities undertaken by the Company in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the annexure to the Directors' Report.

AUDITORS:

M/s. Parikh & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

PARTICULARS RELATING TO EMPLOYEES:

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not given as none of the employees has drawn remuneration in excess of the limits set therein.

ACKNOWLEDGEMENT:

The Directors wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all levels. The Directors would also like to express their sincere appreciation for the assistance and co-operation received from Financial Institutions, Banks and Customers, during the year.

For and on behalf of the Board

Place : Mumbai
Date : 11th May, 2007

T.M.PATEL
CHAIRMAN

Mipco Seamless Rings (Gujarat) Limited**ANNEXURE TO DIRECTORS' REPORT**

Particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

1. Peak power staggering and power maintenance efforts continued.
2. Air leakages and optimum compressors utilisation effected in plant

	2006-2007	2005-2006
A. Power and Fuel Consumption		
Electricity:		
(a) Purchased		
Units (In lacs)	4.32	31.20
Total Amount (Rs. in lacs)	35.46	170.66
Rate/Unit (Rs.)	8.20	5.47
(b) Own Generation		
(i) Through diesel generator unit	-	-
Units per Ltr. of diesel Oil	-	-
Cost/Unit	-	12.35
(ii) Through steam turbine/generator units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost/Unit	-	-
(iii) Through Wind Farm Projects		
Units (in lacs)	0.98	2.98
Total Amount (Rs. in lacs)	4.83	14.92
Rate/Unit (Rs.)	4.93	5.00
B. Consumption per unit of production		
Forged/Rolled Ring for Bearing Races.		
Electricity (Rs.)	NIL	NIL

B. TECHNOLOGY ABSORPTION:

The Company has no technical collaboration and therefore absorption of technology does not apply.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings : NIL

Outgo : NIL



CORPORATE GOVERNANCE REPORT:

Your Company comes within the purview of Clause 49 of the Listing Agreement and accordingly a Report on Corporate Governance, in the manner specified, is given here below:

Company's Philosophy on Code of Governance

Your Company has always adhered to the tenets of good Corporate Governance even before it was made mandatory, with a clear sight of the right to information by Shareholders with respect to Company's operations and performance.

Board of Directors

The Board of Directors consists of four members, comprising three Non-Executive Directors and a Managing Director. The Company has a Non-executive Chairman with the number of Non-executive Directors being more than 50% of the total number of Directors and the number of Independent Directors are two.

Particulars of the Directorships, Chairmanships and Memberships of Board/Committees and attendance at Board/General Meeting of the Company are given herebelow:

Name of the Director	Executive/Non-Executive/ Independent	No. of outside Directorships In Public Companies	Membership held in Committee of Directors	Chairmanship held in Committee of Directors	No. of Board Meetings attended	Whether attended last AGM
Mr. T.M. Patel	Non-Executive Chairman	2	4	1	5	Yes
Mr. S.M. Patel	Managing Director	2	3	1	5	No
Mr.S.V.Subramania Iyer	Non-Executive – Independent	-	-	1	5	Yes
Mr. Jal R. Patel	Non-Executive – Independent	4	4	2	3	No

During the financial year 2006-07, five Board meetings were held on 23rd May, 2006, 22nd June, 2006, 24th July, 2006, 19th October, 2006 and 19th January, 2007 and the AGM was held on 17th August, 2006.

CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business conduct and Ethic for Directors and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of Financial Year 2006-2007.

S.M. Patel
Managing Director

AUDIT COMMITTEE:

The Audit Committee of the Company has such powers as are detailed under Section 292A of the Companies Act, 1956, and also as are detailed in terms of Clause 49 of the Listing Agreement.

The responsibilities of the Audit Committee include inter-alia, overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/removal of external auditors and fixing their remuneration, reviewing the quarterly, half yearly and annual financial statements before submission to the Board, and discussing the scope of audit with external auditors.

The composition of the Audit Committee is in consonance with the Listing Agreement and is as given hereunder:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. S.V. Subramania Iyer	Independent-Non-Executive (Chairman)	5
Mr. Jal R. Patel	Independent-Non-Executive (Member)	3
Mr. T.M. Patel	Non-Executive (Member)	5

During the Financial year ended 31st March, 2007, five Audit Committee Meetings were held on 23rd May, 2006, 22nd June, 2006, 24th July, 2006, 19th October, 2006 and 19th January, 2007.

Mipco Seamless Rings (Gujarat) Limited

REMUNERATION COMMITTEE:

The general scope of work entrusted to the Remuneration Committee includes recommendation of remuneration packages for the Managing Director and review thereof, based on performance and achievements, within the provisions of the Companies Act, 1956 and amendments thereto.

The Remuneration Committee met only once during the financial year 2006-07. The composition of the Remuneration Committee is as under:

Name of the Director	Category	No. of Committee Meetings Attended
Mr. S.V. Subramania Iyer	Independent Non-executive Director (Chairman)	1
Mr. Jal R. Patel	Independent Non-executive Director (Member)	1
Mr. T.M. Patel	Non-Executive Director (Member)	1

The remuneration structure of the Managing Director consists of salary, perquisites, and contribution to Provident Fund, Superannuation and Gratuity. The tenure of re-appointment of the Managing Director/details of salary and perquisites and contribution to Provident Fund for the financial year ended 31st March, 2007 are as given below:

Name	Tenure	Salary (Rupees)	Perquisites (Rupees)	Contribution to Provident Fund (Rupees)	Total (Rupees)
Mr. S.M. Patel	Upto 31.07.2006 Reappointed for 3 years from 01.08.2006	260940	7748	31312	300000
		-	-	-	-

No remuneration to Managing Director is provided from 01.08.2006 as right to receive the same has been waived by him.

The non-executive directors do not draw any remuneration from the Company except sitting fees, which are paid at the rate of Rs.2,000/- for each meeting of the Board/Committee Meeting attended by them. The total amount of sitting fees paid during the year is Rs.58,000/-. The details of sitting fees paid to the Non-Executive Directors during the year under report and their shareholding in the company, are as given below:

Name of the Non-Executive Director	Sitting Fees paid during the period 01.04.2006 to 31.03.2007(Rs.)	No. of shares held As on 31 st March, 2007(Nos.)
Mr. T.M. Patel	22,000.00	-
Mr. S.V. Subramania Iyer	22,000.00	512
Mr. Jal R. Patel	14,000.00	225

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The "Transfer-Cum-Shareholders'/Investors' Grievance Committee held its meetings on 14th April, 2006, 2nd May, 2006, 17th May, 2006, 31st May, 2006, 14th June, 2006, 30th June, 2006, 14th July, 2006, 3rd August, 2006, 18th August, 2006, 1st September, 2006, 30th September, 2006, 16th October, 2006, 31st October, 2006, 15th November, 2006, 30th November, 2006, 15th December, 2006, 1st January, 2007, 13th January, 2007, 29th January, 2007, 14th February, 2007, 28th February, 2007, 15th March, 2007 and 31st March, 2007.

The members of the Committee are:

Name	Category	No. of Committee Meetings attended
Mr. S.M. Patel	Managing Director (Member)	23
Mr. T.M. Patel	Non-Executive Director [Chairman]	23

The Transfer-cum-Shareholders'/Investors' Grievance Committee redresses all investors' grievances with due diligence. The powers of approving the issue of duplicate certificates and all matters connected with securities' transfers, transmissions, sub-divisions, consolidations etc. vests with the Committee. At every meeting of the Transfer-Cum-Shareholders'/Investors' Grievance Committee, a periodic summary statement, depicting transfer, transmission, etc. of the securities of the Company, is placed before the Committee and a thorough review thereof is made.

Mr. Kishor Patel is the Compliance Officer. All complaints received from shareholders/investors have been generally resolved to the satisfaction of the complainants.

During the year 01.04.2006 to 31.03.2007, there were 15 complaints received from the shareholders and all the queries/complaints were attended to promptly and there were none pending as on 31st March, 2007.