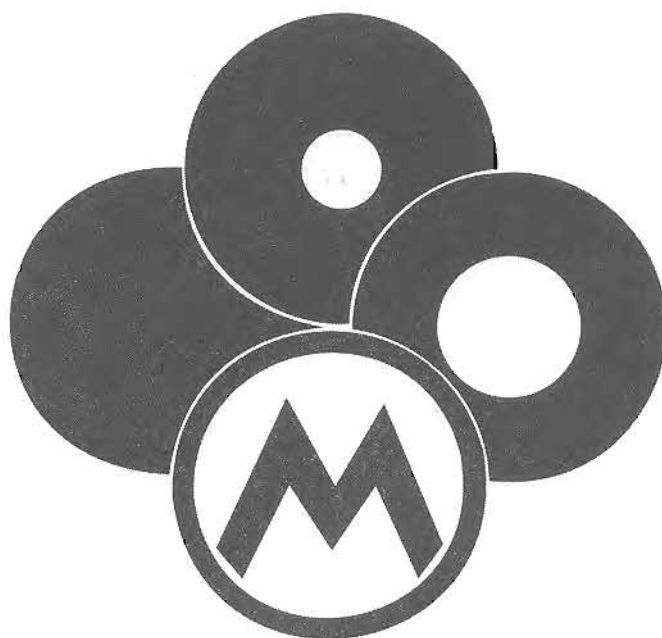


**31st  
Annual Report  
2010-2011**



**Mipco Seamless Rings (Gujarat) Limited**



**MIPCO  
SEAMLESS RINGS  
(GUJARAT)  
LIMITED**

**BOARD OF DIRECTORS**

Mr. Sachendra Tummala	Managing Director
Mr. S. M. Patel	Director
Mr. Sanjiv Kumar	Director
Mr. Ravi Kumar Chennupati (w.e.f. 03.02.2011)	Additional Director
Mr. Lakshmi Prasad Yemeni (w.e.f. 03.02.2011)	Additional Director

**AUDITORS**

Ganesh Venkat & Co;  
Chartered Accountants

**REGISTERED OFFICE AND WORKS**

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

**CONTENTS**

Notice	4
Directors' Report	8
Corporate Governance Report	10
Management Discussion & Analysis Report	18
Auditors' Report	20
Balance Sheet	24
Profit and Loss Account	25
Schedules to Balance Sheet	26
Schedules to Profit and Loss Account	27
Cash Flow Statement	31
Balance Sheet Abstract and Company's	32
General Business Profile	33

**Thirty First  
Annual General Meeting**

on Friday, the 23<sup>rd</sup> Sep, 2011  
at Hotel Kohinoor  
Luxury Living Pvt. Ltd.,  
G-1, Hilton Plaza,  
Opp. Railway Station,  
Bharuch - 392 001,  
Gujarat at 1.00 pm



## NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** will be held at Hotel Kohinoor Luxury Living Pvt. Ltd. G-1, Hilton Plaza, Opp. Railway Station, Bharuch - 392001, Gujarat on Friday, the 23<sup>rd</sup> September, 2011, at 1.00 PM to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 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. Sanjiv Kumar, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors for the current year and fix their remuneration and for that purpose to pass the following resolution with or without any modifications as an ORDINARY RESOLUTION.

"RESOLVED THAT M/s. Ganesh Venkat & Co; Chartered Accountants, Hyderabad (Firm Registration Number: 005293S) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

### Special Business:

4. To consider and if thought fit, to pass with or without modification, following resolution as a Special resolution:

"RESOLVED THAT subject to the provisions of Section 269 of the Companies Act, 1956 and other applicable provisions if any, read with Schedule XIII, approval be and is hereby accorded to the appointment

of Mr. Sachendra Tummala, Director as Managing Director of the Company without any remuneration for a period of 5 (Five) years with effect from 10<sup>th</sup> August, 2011 and empowered to exercise all such powers as entitled as a Managing Director."

5. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Ravi Kumar Chennupati, who was appointed as an Additional Director on pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of a Director be and is hereby appointed as Director of the Company subject to retire by rotation under the Articles of Association of the Company."

6. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Lakshmi Prasad Yerneni, who was appointed as an Additional Director on pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of a Director be and is hereby appointed as Director of the Company subject to retire by rotation under the Articles of Association of the Company."

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

**Sachendra Tummala**  
Director

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2011



## NOTES:

**A Member entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself and the Proxy need not be the Member of the Company. The Proxies in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**

Members/proxies are requested to fill the attendance slips duly filled in for attending the meeting and bring their copies of the Annual Report to the meeting.

In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Members are requested to notify immediately any change in their address to our Share Transfer Agents.

The Register of Members and Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September, 2011 to 23<sup>rd</sup> September, 2011 (both days inclusive).

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.

Corporate Members intending to depute their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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.

An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

The information pertaining to the Directors proposed to be re-appointed are furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:

### Mr. Sanjiv Kumar

Sanjiv is a Chartered Accountant having more than 15 years of rich experience in the field of Accounts & Finance in different types of organizations mainly in IT and related sectors. He has worked extensively on all the core functions of Accounts and Finance which includes handling IPO, merger & acquisition, finalization of accounts, consolidation of accounts, transfer pricing, direct and indirect taxation, statutory compliances, internal control procedures, process automation, budget, MIS reporting, staff training and development etc.

He has also headed the HR and Administration function in various organizations. He has contributed in design, development & implementation of performance and people growth related programs and other core function of HR for more than 8 years that include conceptualizing, designing and executing various HR policies and processes like talent acquisition, performance management, compensation management, competency mapping, career progression, pay roll management, statutory compliances etc.

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

#### Item No. 4

The Board of Directors of the Company at its Meeting held on 10<sup>th</sup> August 2011 appointed Mr. Sachendra Tummala as Managing Director of the Company in place of Mr. S. M. Patel who has resigned from the office of Managing Director on 3<sup>rd</sup> February 2011, for a period of five years with effect from 10<sup>th</sup> August 2011



without remuneration as per Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mr. Sachendra Tummala is B.S.-Electronics & Communications and as Corpus's founder, is a world-class entrepreneur with dynamic vision who possesses the breadth of experience. He started his career as a technical specialist with Silicon Graphics and then moving on to Imation and finally on to Lucent Technologies where he served as a financial Consultant. Previous to start Corpus, he was a founder partner of a highly successful technology solutions company located in Houston, Texas.

Corpus track record has secured itself a lofty place in business history as one of the true successes in the DFW area. From a five-man start up to a current employee base of around 300, with operations in Dallas, Atlanta, NY, Denver and Global operations in London, Holland, Singapore, Delhi, Bangalore and Hyderabad, India.

The Explanatory Statement together with the accompanying Notice is to be regarded as an abstract under the provisions of Section 302 of the Companies Act, 1956.

Mr. Sachendra Tummala is concerned and interested in the resolution. No other Director is concerned or interested directly or indirectly in the above resolution.

Board of Directors recommends the resolution for your approval.

#### **Item No. 5 and 6**

The Board of Directors of the Company at its meeting held on 03.02.2011, appointed Mr. Ravi Kumar Chennupati and Mr. Lakshmi Prasad Yerneni as Additional Directors, in terms of Section 260 of the Companies Act, 1956. The Company has received a valid notice under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors.

Your Directors recommends their appointment as regular Directors to the Board, in the interest of the Company.

None of the Directors are in any way concerned or interested in the proposed resolutions.

Brief Profile of the appointees are given below:

#### **Profile of Mr. Ravi Kumar Chennupati**

Mr. Ravi Kumar Chennupati is a citizen of USA had completed his Bachelors of Engineering from Sathyabama Engineering College, Chennai and his post graduation in IT from the Queens Land University, Brisbane, Australia. He later started his career as a Technology Consultant.

He was the founder and President of M/s. Raicon Solutions LLC, NY, USA. Presently he is a Chairman of eZONE Securities Solutions (India) Private Limited.

#### **Profile of Mr. Lakshmi Prasad Yerneni**

Mr. Prasad has more than 15 years of experience in the fields of Energy, Finance and strategic investments in infrastructure space. As Energy Specialist he worked with KPMG serving key clients in USA, focusing on renewable. Mr. Prasad has done Masters in Engineering from Regional Engineering College (REC), India. He had worked with MNCs like Credit Suisse First Boston, Kraft foods in USA and Singapore. He was also founding partner of successful technology solutions company located in Newark, NJ.

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

**Sachendra Tummala**  
Director

Place: Hyderabad

Date : 10<sup>th</sup> August, 2011



## GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

The Ministry of Corporate Affairs ("MCA") vide its circulars dated 21st April, 2011 and 29th April, 2011 has taken a "Green Initiative in Corporate Governance", thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCA in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual reports and other communications to the shareholders through e-mail. Please note that all such documents shall be kept open for inspection at the registered office of the Company during office hours.

We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that fields marked "\*" are mandatory to fill.

Registered Folio or DP Id - Client Id \*

Full Name \*

Email Id \*

Contact No. (eg: 91-9812345678, 91-22-12345678)

Declaration: (Select whichever is applicable)\*

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail Id or any other details, please e-mail us the details at [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.



## DIRECTORS' REPORT

Dear Members,

The Directors present herewith their 31<sup>st</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS:

Rs. in lacs.

	Year ended 31.03.2011	Year ended 31.03.2010
Gross Profit/(Loss) before Interest, Depreciation and Tax	(4.21)	(8.31)
Less: Depreciation	—	—
Loss for the year	(4.21)	(8.31)
Extraordinary Items (Net of tax expense Rs.Nil)		
Interest Remission on one time settlement		
Sundry Balances of Creditors written off		
Less : Provision for Tax:		
Fringe Benefit Tax Refund	—	(0.17)
Deferred Tax charge/credit	0.28	—
Add: Balance Brought forward from previous year	(1307.60)	(1299.46)
Loss carried to Balance Sheet	(1312.09)	(1307.60)

### OPERATIONS:

The Company has closed its manufacturing operations for the last three years. It does not have any other business activity.

### DIVIDEND:

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

### DIRECTORS:

Mr. Sanjiv Kumar 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. Mr. Ravi Kumar Chennupati and Mr. Lakshmi Prasad Yerneni, who were appointed as Additional Director by the Board are proposed to be appointed as Director liable to retire by rotation. Board recommends their appointment.

### 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.

#### **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.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not given as the Company has no business activities.

#### **AUDITORS:**

M/s. Ganesh Venkat & Co; Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing 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.

#### **FIXED DEPOSITS :**

Your Company has not accepted any fixed deposits covered under section 58A and 58AA of the Companies Act 1956 from the public or its shareholders during the year under review.

**SUBSIDIARY COMPANIES :** There are no subsidiaries to the company as on date of the report.

#### **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 applicable to the Company.

#### **ACKNOWLEDGEMENTS :**

Your Directors take the opportunity to express their grateful appreciation for the co-operation and assistance by the government authorities, bankers and other business associates as well as shareholders and employees.

For and on behalf of the Board

Place: Hyderabad  
Date : 28<sup>th</sup> May, 2011

**Sachendra Tummala**  
Director





## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the set of policies, processes and practices by which a Company conducts its affairs in pursuit of its business goals. In order to ensure sustainable returns to all stakeholders of the business, it is imperative, to adopt and follow certain policies, procedures and processes, which together constitute a 'code of Corporate Governance'. It is important that such code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions.

A report, in line with the requirement of the Listing Agreement, on the practices followed by the Company is given below:

#### Board of Directors

##### i. Board Composition

The Company's Board of Directors comprised 5 Directors, consisting of one Executive Director, one Non-Executive Director and three Independent Directors as defined under the Listing Agreement with Stock Exchanges. The composition of the Board is in accordance with the requirements of the Corporate Governance of the Listing Agreement with the Stock Exchanges. All Directors certified that they are not members of more than ten committees in terms of the Listing Agreement and do not act as Chairman of more than five committees across all the companies in which they are Directors. The below table give the composition of the Company's Board.

The constitution of the Board during the financial year 2010-11 is as under:

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
Mr. Sachendra Tummala	Managing Director	Nil	1	Nil
Mr. Sanjiv Kumar	Non-Executive Director	Nil	2	1
Mr. Lakshmi Prasad Yerneni**	Non-Executive Independent	Nil	1	2
Mr. Ravi Kumar Chennupati**	Non-Executive Independent	Nil	2	Nil
Mr. T.M. Patel*	Non-Executive Director	3	4	1
Mr. S.M. Patel	Non-Executive Independent	2	NIL	NIL
Mr. S.V. Subramania Iyer*	Non-Executive Independent	-	-	1
Mr. Jal R. Patel*	Non-Executive Independent	6	5	3

\* Mr. T M Patel, Mr. Subramania Iyer & Mr. Jal R Patel has resigned from the Board w.e.f. 03.02.2011

\*\* Mr. Lakshmi Prasad Yerneni & Mr. Ravi Kumar Chennupati has inducted on the Board as Independent Director w.e.f. 03.02.2011.



## ii. Board Meetings and Attendance of Directors

The Board meets atleast once in a quarter to consider amongst other business, the performance of the Company and the quarterly results. When necessary, additional meetings are held. The Board meetings are generally held at the Corporate Office of the Company at Hyderabad. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board member is free to suggest the inclusion of items on the agenda. The gap between two consecutive meetings did not exceed four months.

During the year ended 31st March 2011, the Board met six times viz. 4<sup>th</sup> May 2010, 6<sup>th</sup> August 2010, 12<sup>th</sup> November 2010, 4<sup>th</sup> December 2010, 3<sup>rd</sup> February 2011 and 14<sup>th</sup> February 2011.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during the financial year 2010-11 and previous AGM held on 30.12.2010.

Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM
Mr. Sachendra Tummala	6	6	No
Mr. Sanjiv Kumar	6	6	Yes
Mr. Lakshmi Prasad Yerneni**	2	2	No
Mr. Ravi Kumar Chennupati**	2	2	No
Mr. T.M. Patel*	5	5	No
Mr. S.M. Patel	6	6	Yes
Mr. S.V. Subramania Iyer*	5	5	No

\* Mr. T M Patel, Mr. Subramania Iyer & Mr. Jal R Patel has resigned from the Board w.e.f. 03.02.2011

\*\* Mr. Lakshmi Prasad Yerneni & Mr. Ravi Kumar Chennupati has inducted on the Board as Independent Director w.e.f. 03.02.2011.

## iii. Code of Ethics

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. All Directors affirmed compliance with the Code for the year under review. The declaration to this effect, signed by Mr. Sachendra Tummala, Director, is annexed to this report.

## Audit Committee

### Terms of reference

The terms of reference of the Audit Committee are in accordance with all items listed in Clause 49(II)(D) and (E) of the listing agreement and Section 292(A) of the Companies Act, 1956. The same inter alia includes the following: