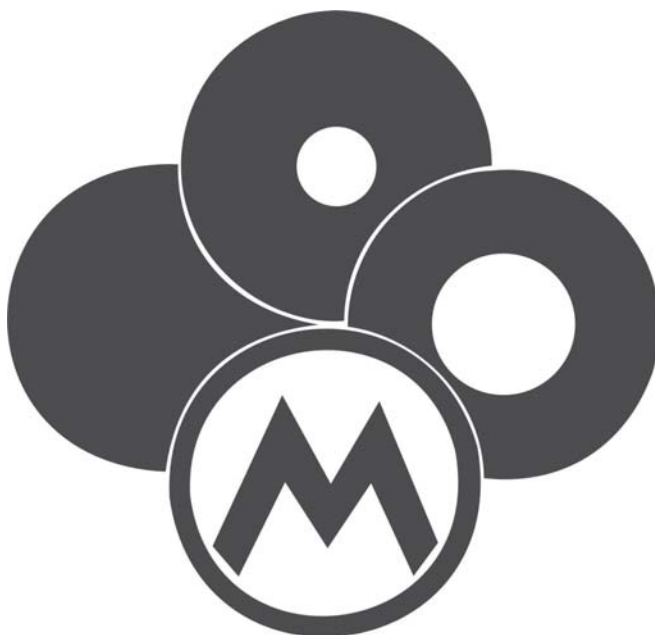


**33rd  
Annual Report  
2012-2013**



**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	Director
Mr. Surya Chilukuri	Director

**AUDITORS**

Ganesh Venkat & Co;  
Chartered Accountants

**REGISTERED OFFICE AND WORKS**

H. No. 100, Nilkanthnagar,  
Gujarat Housing Board,  
Bharuch – 392 001, (Gujarat).

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***Thirty Third  
Annual General Meeting***

on Friday, the 23<sup>rd</sup> August, 2013  
at Registered Office of the Company  
at H. No. 100, Nilkanthnagar,  
Gujarat Housing Board, Bharuch -  
392 001, Gujarat at 1.30 PM.



## NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of **MIPCO SEAMLESS RINGS (GUJARAT) LIMITED** will be held at Registered Office of the Company at H. No. 100, Nilkanthnagar, Gujarat Housing Board, Bharuch – 392 001, (Gujarat). on Friday, the 23rd August, 2013, at 1.30 PM to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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.”

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

**Sachendra Tummala**  
Managing Director

Place: Hyderabad

Date : 22<sup>nd</sup> July, 2013

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## NOTES:

1. **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.**
2. 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.
3. 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.

4. Members are requested to notify immediately any change in their address to our Share Transfer Agents.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 20th August, 2013 to 23rd August, 2013 (both days inclusive).
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. 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.



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.

9. 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**

Mr. Sanjiv Kumar, a Chartered Accountant by profession, has served in various companies

in different capacities like VP (Finance), CFO, Global CFO etc. He also served various Board of the various listed and non-listed companies. Presently he is a Director of Mipco Seamless Rings (Gujarat) Limited.

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

**Sachendra Tummala**  
Managing Director

Place: Hyderabad  
Date : 22<sup>nd</sup> July, 2013

## 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 33<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS:

Rs. in lacs.

	Year ended 31.03.2013	Year ended 31.03.2012
Gross Profit/(Loss) before Interest, Depreciation and Tax	(9.62)	(7.87)
Less: Depreciation	—	—
Loss for the year	(9.62)	(7.87)
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	—	—
Deferred Tax charge/credit	—	—
Add: Balance Brought forward from previous year	(1319.96)	(1312.09)
Loss carried to Balance Sheet	<b>(1329.58)</b>	<b>(1319.96)</b>

### OPERATIONS:

The Company has closed its manufacturing operations for the last few 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 approval.

### SCHEME OF AMALGAMATION:

Your Company is under process of merger with Corpus Software Private Limited. During the year under review, your Company has filed scheme of amalgamation with the Bombay Stock Exchange Limited (BSE) for *in principle* approval and applications with Hon'ble High Courts of Gujarat and Karnataka. Your Company has received *in principle* approval from BSE and waiting for the orders of Hon'ble High Courts.

### 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.

**DEPOSITS :** The Company has not invited any deposits from the Public under Section 58A 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 applicable to the Company.

### **ACKNOWLEDGEMENTS :**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and central and State government for their consistent support to the Company. The Directors also wish to place on record their appreciation of the sincere and dedicated services of the employees.

For and on behalf of the Board

Place: Hyderabad  
Date : 22<sup>nd</sup> July, 2013

**Sachendra Tummala**  
Managing Director



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

A Good Corporate Governance is simply Good Business. Our Company's philosophy on corporate governance envisages adherence to the highest levels of transparency, accountability and equity in all areas of its operations and in all interactions with its stakeholders. Your Company is committed to achieving the highest standards of corporate governance in its pursuit of excellence, growth and value creation. It believes that all operations must be spearheaded by integrity, transparency and accountability for meeting its obligations towards enhancing shareholder value continuously.

At the core of its corporate governance practice is the Board, along with its committees which oversees how the management serves, protects & creates short term and long-term interests of shareholders and other stakeholders. The Company's corporate governance practices comply with the corporate governance requirements as per the Listing Agreement with Stock Exchange.

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 2012-13 is as under:

Name of the Director	Executive/ Non-Executive Independent	No. of outside Directorships in Public Companies	Membership held in Committee of Directors (other Public Companies)	Chairmanship held in Committee of Directors (other Public Companies)
Mr. Sachendra Tummala	Managing Director	Nil	Nil	Nil
Mr. Sanjiv Kumar	Non-Executive Director	Nil	Nil	Nil
Mr. Ravi Kumar Chennupati	Non-Executive Independent	Nil	Nil	Nil
Mr. Surya Chilukuri	Non-Executive Independent	Nil	NIL	NIL
Mr. S.M. Patel	Non-Executive Independent	2	3	NIL





## 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 2013, the Board met five times viz. 28<sup>th</sup> May 2012, 2<sup>nd</sup> August 2012, 12<sup>th</sup> November 2012, 11<sup>th</sup> December 2012, 12<sup>th</sup> February 2013.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during the financial year 2012-13 and previous AGM held on 14.09.2012.

Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM
Mr. Sachendra Tummala	5	5	Yes
Mr. Sanjiv Kumar	5	5	Yes
Mr. Ravi Kumar Chennupati	5	5	No
Mr. S.M. Patel	5	Nil	No
Mr. Surya Chilukuri	5	5	No

## iii. Code of Ethics

The Board of Directors of the Company laid a Code of Conduct for Directors. All Directors affirmed compliance with the Code for the year under review. The declaration to this effect, signed by Mr. Sachendra Tummala, Managing 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:

#### (a) Primary objectives of the Audit Committee

The Audit Committee acts as a link between the Statutory Auditors and the Board of Directors. The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process and to ensure accurate, timely and proper disclosures and transparency and quality of financial reporting.

#### (b) Scope of the Audit Committee

1. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.



2. Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also to approve the payment for other services.
3. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

### (c) Composition of the Audit Committee

The Audit Committee is constituted as per the requirements of clause 49 of the Listing Agreement. The composition of audit committee is in compliance with the requirements of clause 49 (II) (A) of the Listing Agreement. It consists of 3 members, 2 of them including chairman, are independent directors. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee currently comprises of the following Directors:

1. Mr. Surya Chilukuri, Chairman
2. Mr. Sanjiv Kumar
3. Mr. Ravi Kumar Chennupati

### (d) Audit Committee Meetings and Attendance during the Financial Year 2012-13

The Audit Committee met four times during the financial year on 28<sup>th</sup> May 2012, 2<sup>nd</sup> August 2012, 12<sup>th</sup> November 2012 and 12<sup>th</sup> February 2013.

Table showing attendance of the members at Audit Committee Meeting is as under:

Sl. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Surya Chilukuri	Independent Director & Chairman	4
2.	Mr. Sanjiv Kumar	Non-executive Director	4
3.	Mr. Ravi Kumar Chennupati	Independent Director	4

### 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.

There is no meeting of Remuneration Committee held during the financial year. The composition of the Remuneration Committee:

1. Mr. Surya Chilukuri, Chairman
2. Mr. Sanjiv Kumar
3. Mr. Ravi Kumar Chennupati

The tenure of re-appointment of the Managing Director/details of salary and perquisites and contribution to Provident Fund for the financial year ended 31<sup>st</sup> March, 2013 are as given below:

Name	Tenure	Salary (Rupees)	Perquisites (Rupees)	Contribution to Provident Fund (Rupees)	Total (Rupees)
Mr. Sachendra Tummala	Appointed for 5 years from 10.08.2011	Nil	Nil	Nil	Nil