

REMI METALS GUJARAT LIMITED
Twentieth Annual Report
2001-2002

BOARD OF DIRECTORS

Shri Kumarpal M. Doshi

Shri Eugene D. Derry

Shri Vishwambhar C. Saraf

Alternate to Shri Kumarpal M. Doshi

Shri Rajendra C. Saraf

Alternate to Shri Eugene D. Derry

Shri V. Sahasranama Iyer

Dr. N. S. Datar

Shri Shashank Chaturvedi

Executive Director

Shri L. S. Kshatriya

Technical Director

Shri R. Kannan

Shri Dipak Shah

Nominee of GLIC

Smt. Shobhana Desai

Nominee of GLIC

Smt. Shaila Jagtap

Nominee of UTI

REGISTERED OFFICE

GIDC Industrial Estate,
Valia Road, Jhagadia,
District Bharuch,
Gujarat.

AUDITORS

M/s Chaturvedi & Shah,
712-715, Tulsiani Chambers,
212, Nariman Point,
Mumbai-400 021.

CORPORATE OFFICE

11, Cama Industrial Estate,
Goregaon (East),
Mumbai-400 063.

BANKERS

State Bank of India
State Bank of Hyderabad
State Bank of Saurashtra
State Bank of Travancore
Allahabad Bank
Bank of India
The Federal Bank Ltd.
The Bank of Rajasthan Ltd.
Union Bank of India
Vijaya Bank

NOTICE

To,
The Members,
Remi Metals Gujarat Limited.

NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held at its Registered Office, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat State on Saturday the 28th September, 2002, at 12.15 p.m. to transact the following business:-

1. to adopt the Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date.
2. to re-appoint as Director Shri R. Kannan, who retires by rotation.
3. to re-appoint as Director Shri D. R. Shah, who retires by rotation.
4. to re-appoint as Director Smt. Shobhana Desai, who retires by rotation.
5. to re-appoint Auditors and to fix their remuneration.

By Order of the Board

V.S. IYER
Director

29th July, 2002

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 24th to Monday, the 30th September, 2002, both days inclusive.
3. **IN ACCORDANCE WITH THE NOTIFICATION ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FOR BRINGING ALL THE LISTED SECURITIES UNDER COMPULSORY ROLLING SETTLEMENT, YOUR COMPANY HAS APPLIED FOR ESTABLISHMENT OF CONNECTIVITY WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) THROUGH THE DEPOSITORY REGISTRAR, M/S R&D CONSULTANTS LIMITED, MUMBAI. ACCORDINGLY A TRIPARTITE AGREEMENT WILL BE ENTERED INTO BETWEEN THE ABOVE STATED DEPOSITORIES, THE DEPOSITORY REGISTRAR AND YOUR COMPANY. ON THE EXECUTION OF THE SAME YOUR COMPANY'S SECURITIES WILL BE ELIGIBLE FOR DEMATERIALISATION. MEMBERS ARE REQUESTED TO GET IN TOUCH WITH THEIR DEPOSITORY PARTICIPANTS FOR FURTHER DETAILS.**

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their 20th Annual Report together with Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. in Lacs)	(Rs. in Lacs)
Year Ended	Year Ended	
31.03.2002	31.03.2001	
Gross Income	120.57	78.43
Loss before interest and depreciation	(243.49)	(322.40)
Interest and Financial charges	8996.03	7397.33
Depreciation and Write-off	1386.15	1373.20
Loss	(10625.67)	(9092.93)
Prior year adjustment	1.75	0.52
Balance brought forward from previous year	(30022.77)	(20930.36)
Balance carried to Balance Sheet	(40646.69)	(30022.77)

It is pertinent to clarify that the net loss of Rs.40646.69 lacs includes accumulated interest of Rs.30218.02 lacs which will become substantially reduced after restructuring and depreciation and preliminary expenses aggregating Rs.9655.96 lacs leaving a cash loss of Rs.772.71 lacs only.

The Rehabilitation Scheme submitted to Honourable Board for Industrial and Financial Reconstruction (BIFR) was discussed on 03.09.2001 and 29.04.2002 when Hon. BIFR found that the term loan alongwith reliefs and concessions was fully tied-up except for a small portion. Hon. BIFR then directed the Operating Agency to review deficit of working capital requirement after final attempt by the Company. Subsequently, the Company has tied-up the complete working capital finance and it is expected that the Rehabilitation Scheme will be smoothly implemented after formal approval.

AUDITORS

M/s Chaturvedi & Shah, Chartered Accountants, hold office until the conclusion of this Annual General Meeting and they have also given consent for reappointment.

PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Sub Section (1)(e):

- A. Conservation of Energy - All efforts are being made to conserve energy.
- B. Technology Absorption - Not applicable
- C. Foreign Exchange Earnings and outgo:

Outgo	: Rs.0.13 Lacs
Earnings	: Nil

Sub-Section (2AA):

Your Directors state:

- i. that in the preparation of the annual accounts, all the applicable accounting standards had been followed;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 profit or loss of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

Note : Depreciation has not been charged on the items of Plant & Machinery not used during the year ended 31st March, 2002.

ACKNOWLEDGMENT

Your Directors express their sincere appreciation of the support to the Company by various financial institutions and banks.

They also thank the Shareholders for the confidence they have reposed in the Company. They also express their appreciation of dedicated service of the Executives and other employees of the Company and expect their continued and sincere co-operation.

For an on behalf of the Board of Directors

V.S. IYER
Director

SHASHANK CHATURVEDI
Executive Director

Place : Mumbai

Date : 29.07.2002

CORPORATE GOVERNANCE - CLAUSE 49 OF THE LISTING AGREEMENT

1. Company's philosophy on Corporate Governance

The basic philosophy of corporate governance in the Company is to achieve business excellence and enhance shareholder value, keeping in view the needs and interests of its shareholders.

2. Audit Committee

The Company has already constituted an Audit Committee comprising of two Non-Executive Directors and one Executive Director since the year 2001 as follows:

Sr. No.	Committee Members	No. of Meetings	
		Held	Attended
1.	Shri Shashank Chaturvedi (C.A.)	2	2
2.	Shri V. S. Iyer (MA, LLB, FCS)	2	2
3.	Shri R. Kannan (MSC, PGDMS)	2	2

Shri Shashank Chaturvedi is its Chairman.

The broad terms of reference of the Audit Committee are :

- Review of the Company's financial reporting process and its financial statements.
- Review the remuneration payable to the auditors, both

internal and statutory and to recommend change in auditors, if felt necessary.

- Review of the Internal control and internal audit systems.
- Review of significant findings with the Internal auditors.
- Review of financial and risk management policies and practices.

The Company has a qualified Company Secretary who is the Secretary to the Committee.

Audit Committee Meeting Dates

Purpose

28/7/2001	Reviewed financial statements for the year ended 31/3/2001.
30/10/2001	Considered unaudited financial results.

3. Remuneration Committee

The Company has not constituted the Remuneration Committee, as none of the non-executive directors are paid any remuneration except sitting fees. As and when the need arises the committee would be formed.

4. Board of Directors

The Board of Directors met four times on 30-4-2001, 30-7-2001, 31-10-2001 and 30-1-2002.

Sr. No.	Name of Director	Category	Whether attended AGM held on 29.09.2001	Attendance in Board Meetings		Other Board		
				Held	Attended	Directorship	Committee Chairmanship	Committee Membership
1	Shri Kumarpal M. Doshi	Promoter Non-Executive	No	4	0	5	—	—
2	Shri Eugene D. Derry	Promoter Non-Executive	No	4	0	—	—	—
3	Shri V. C. Saraf	Alternate to Shri Kumarpal M. Doshi	No	4	3	3	1	1
4	Shri R. C. Saraf	Alternate to Shri Eugene D. Derry	No	4	4	5	2	4
5	Dr. N. S. Datar	Independent Non-Executive	No	4	4	5	—	2
6	Shri V. Sahasranama Iyer	Non-Executive	No	4	4	6	—	—
7	Shri Shashank Chaturvedi	Executive Director	Yes	4	4	—	—	—
8	Shri L. S. Kshatriya	Technical Director	Yes	4	1	—	—	—
9	Shri R. Kannan	Independent Non-Executive	No	4	3	—	—	—
10	Shri D. R. Shah (Nominee of GIIC)	Independent Non-Executive	No	4	1	... N.A. N.A. N.A. ...
11	Smt. Shobhana Desai (Nominee of GIIC)	Independent Non-Executive	No	4	0	... N.A. N.A. N.A. ...
12	Shri P.P.S. Narula (Nominee of UTI)	Independent Non-Executive	No	4	3	... N.A. N.A. N.A. ...