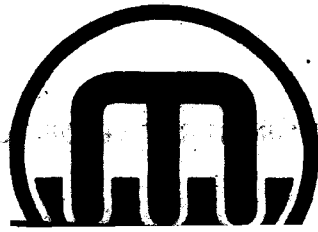


13th Annual Report

2001 - 2002



**MANDSAUR FERRO
ALLOYS LIMITED**

BOARD OF DIRECTORS

SHRI VINOD KUMAR JAIN (Chairman & Managing Director)

SHRI NAVNITDAS PAREKH

SHRI PANKAJ JAIN

SHRI SUNIL PAREKH

BANKERS

DENA BANK, Mandsaur (M.P.)

AUDITORS

C.H. PADLIYA & CO.

Chartered Accountants

INDORE (M.P.)

REGISTERED & ADMINISTRATIVE OFFICE

Village ; Botalganj,

Mhow-Neemuch Road,

Distt. Mandsaur (M.P.)

PLANT

Village ; Botalganj,

Distt. Mandsaur (M.P.)

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Notice

Notice is hereby given that the thirteenth Annual General Meeting of the Shareholders of Mandsaur Ferro Alloys Limited will be held on Monday, the 30th September, 2002 at 4.30 p.m. at the Registered Office of the Company at Mhow-Neemuch Road, Botalganj, Distt. Mandsaur - 458 001 (M.P.) 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 on that date and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Pankaj Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office:
Village Botalganj, Mhow-Neemuch Road,
Dist. Mandsaur- 458 001 (M.P.)
Dated : 13th August, 2002

BY ORDER OF THE BOARD
FOR MANDSAUR FERRO ALLOYS LTD.
(V.K. JAIN)
CHAIRMAN AND MANAGING DIRECTOR.

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself and the proxy need not be a member of the Company. Proxy forms in order to be valid and effective, must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. Members are requested to notify to the company changes, if any, in their registered address.
3. The Register of Members and Share Transfer Books of the company shall remain closed from Monday the 23rd September, 2002 to Monday the 30th September, 2002 (both days inclusive).

Directors Report

Your Directors have the pleasure in presenting their thirteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS :

	For the Year ended 31.3.2002 (Rs. in Lacs)	For the Year ended 31.3.2001 (Rs. in Lacs)
1. Sales & Other Income	-	2.59
2. Gross Profit before interest Depreciation and Taxes	(-) 4.14	(-) 3.85
3. Interest	0.01	-
4. Depreciation	-	22.67
5. Net Profit before taxes	(-)4.15	(-) 26.52
6. Net Profit after taxes (Carried to Balance Sheet)	(-)4.15	(-) 26.52
7. Loss on Auction Sale of Fixed Assets by M.P.E.B.	135.89	-
8. Net Loss for the year	140.04	26.52

The company's plant has remained closed throughout the year. The entire assets of the company including land, building and all moveable and immovable assets had been seized by the M.P. Electricity Board against its dues under dispute. All the Assets have since been auctioned on 25.5.2001 for a consideration of Rs. 45.00 Lacs (Rs. Forty five lacs only). The company has lodged protest against the said auction under advice of its legal advisor and is taking legal action in the matter. As a result of the sale of the company's Assets as mentioned above the company has suffered a great set back. A civil suit has since been filed in the District Court at Mandsaur against the auction sale of the Company's Assets carried out by the M.P. Electricity Board.

DIVIDEND :

In view of the losses and circumstances mentioned above your directors regret their inability to declare any dividend for the year.

PUBLIC DEPOSITS :

The company has neither invited nor accepted any deposits from the public during the year.

DIRECTORS :

Shri Pankaj Jain retires by rotation and is eligible for reappointment.

PARTICULARS OF EMPLOYEES :

No employee was in receipt of remuneration during the year required to be disclosed under section 217 (2A) of the companies Act, 1956.

PARTICULARS U/S 217 (1) (E) OF THE COMPANIES ACT, 1956

The particulars to be disclosed as required U/s 217 (1) (e) of the Companies Act, 1956 read with Disclosure of particulars in the Report of the Board of Directors Rules, 1988 are detailed in annexure to this report.

AUDITORS :

You are requested to appoint auditors and fix their remuneration. The retiring auditors M/s C.H. Padliya & Co. are eligible for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT U/S 217 (2AA) OF THE COMPANIES ACT, 1956

As required under provisions of section 217 (2AA) of the companies act, 1956, your directors have to state: (I) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(II) that the directors had 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 at the end of the financial year and the profit or loss of the company for that period.

(III) that the directors had taken proper and sufficient care for the maintainance 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.

(IV) that the directors had prepared the annual accounts on a going concern basis.

There being no business activity being carried out by the company corporate governance report is not furnished.

FOR & ON BEHALF OF THE BOARD

PLACE : BOTALGANJ,
DISTT. MANDSAUR (M.P.)

(V.K. JAIN)

DATED : 13TH AUGUST, 2002

(CHAIRMAN & MANAGING DIRECTOR.)

ANNEXURE TO DIRECTORS REPORT FOR THE YEAR 2001-2002 PARTICULARS U/S 217 (1) (E) OF THE COMPANIES ACT, 1956

(A) CONSERVATION OF ENERGY

(A) ENERGY CONSERVATION MEASURES TAKEN.

The Company plant remained closed throughout the year.

(B) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

The company's plant has since been closed.

(C) IMPACT OF MEASURES (A) AND (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

No production activity during the year.

(D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION POWER AND FUEL CONSUMPTION

	Current Year 31.03.2001	Previous Year 31.03.2000
1. Electricity		
(a) Purchased Units (in lacs)	Nil	Nil
Total Amount (Rs. in lacs)	Nil	Nil
Rate per Unit (Rs.)	Nil	Nil
(b) Own Generation :		
i) Through Diesel Generator Unit	Nil	Nil
Unit per ltr. of Diesel Oil	Nil	Nil
Cost per Unit	Nil	Nil
ii) Through steam turbine/generator units	Nil	Nil
Units per ltr. of Fuel Oil/Gas	Nil	Nil
Cost per Unit	Nil	Nil
2. Coal		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil
3. Furnace Oil		
Quantity (K.ltrs)	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
4. Other Internal Generation		
Quantity	Nil	Nil
Rate/Unit	Nil	Nil
CONSUMPTION PER UNIT OF PRODUCTION		
Product : Ceramic Tiles	Nil	Nil
Electricity (Units Per M. Ton)	Nil	Nil
Kerosene Oil (Litre per M. Ton)	Nil	Nil
Coal	Nil	Nil
Other	Nil	Nil

(B) TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company.

The Company has not carried out R&D activity during the year.

2. Benefits derived as a result of the above R&D

Not applicable



3. Future Plan of action. The Company does not have any future plans as at present.

4. Expenditure on R & D		
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil
(c) Total	Nil	Nil
(d) Total R & D Expenditure as a percentage of total turnover.	Nil	Nil

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product development import substitution etc.	Not applicable	Not applicable

3. In case of imported technology (Imported during the last 5 years reckoning from the financial year.) The Company has not imported any technology so far.

Following information may be furnished.

(a) Technology imported	Not applicable	Not applicable
(b) Year of import	Not applicable	Not applicable
(c) Has technology been fully absorbed	Not applicable	Not applicable
(d) If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action	Not applicable	Not applicable

(C) FOREIGN EXCHANGE EARNING AND OUTGO

(a) Activities relating to exports initiatives taken to increase exports market for product services, and export plans.	Nil	Nil
(b) Total Foreign exchange used and earned.	Nil	Nil

For & on behalf of the Board of Directors

PLACE : Botalganj, Distt. Mandsaur
DATED : 13th August, 2002

(V.K. JAIN)
CHAIRMAN & MANAGING DIRECTOR

AUDITORS REPORT

TO THE MEMBERS OF MANDSAUR FERRO ALLOYS LIMITED

We have audited the attached Balance sheet of MANDSAUR FERRO ALLOYS LIMITED, as at 31st March, 2002 and the annexed Profit and Loss Account for the year ended on that date. 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.

01. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
02. As required by the manufacturing and other companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956. We annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
03. Further to our comments in the Annexure referred to above, we report that
 - a. 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.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examinations of such books.
 - c. The Balance Sheet and Profit & Loss Account dealt-with in this report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet and the Profit & Loss account complies with the mandatory accounting standards referred in section 211 (3C) of the Companies Act, 1956.
 - e. Based on representations made by all the Directors of the company the information and explanations as made available, directors of the company do not prima-facie have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Act.
 - f. In our opinion and to the best of our information and according to the explanations given to us the said account read with the notes there on and subject to:
 1. The non obtaining of confirmation of Balances from the Creditors and Debtors.
 2. Non provision for the Income Tax under dispute.
 3. Non provision of the interest at the rate of 18% per annum on allotment money amounting to Rs. 25,000/- not paid on the investment in shares on due date i.e. 30-11-1996.
 4. No provision for Doubtful Debts of Rs. 42.15 lacs has been made.
 5. No provision has been made for Annual listing fees since F.Y. 1998-99 for which company has been listed with various stock exchanges.
 6. Investment in shares which are unquoted, is made at cost. No provision is made for any diminution in the value of shares if any, as the shares are not quoted in the market.
 7. No provision has been made for to the extent of Rs. 8,26,506/- to Madhya Pradesh State Electricity Board which is under dispute.

Gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :

- i. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2002 and
- ii. In the case of Profit & Loss Account of the LOSS for the year ended on that date.

ANNEXURE REFERRED TO IN PARAGRAH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002 OF MANDSAUR FERRO ALLOYS LIMITED.

01. The Company has not maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The question of physical verification of the assets of the company at reasonable intervals does

not arise as on account of auction sale of the fixed asset belonging to the company by Madhya Pradesh state Electricity Board on 25.5.2001.

02. None of the fixed Assets of the company were revalued upto the date of auction i.e. 25.5.2001.
03. On account of seizure and auction of inventories on 25.5.2001 by Madhya Pradesh State Electricity Board, no physical verification was done by the management.
04. The production activity of the company were closed down since May, 1999 and further on account of auction of the factory by Madhya Pradesh State Electricity Board on 25.5.2001.
05. The question of discrepancies between physical stock and book stock does not arise as there was no physical verification was done by the management.
06. Since there was no stock at the end of the accounting year. The question of fairness of the valuation of stock does not arise.
07. The Company has not taken loans from the companies, firms and other parties except old due to the Directors, listed in the register maintained under section 301 of the companies Act 1956 and are not prima-facie prejudicial to the interest of the company.
08. The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 or to the companies under the same management, under sub-section (1B) of section 370 of the Companies Act, 1956.
09. The company has given interest free advances in the nature of loan in the normal course of business to employees who are repaying the principal amount as stipulated except advances to the extent of Rs. 28,309/-.
10. The question of adequate internal control procedures with regard to purchase of stores, Raw Materials including components, Plant and Machineries, Equipments and other assets is not applicable, as no purchases were made during the year in the absence of any production activity.
11. According to the information and explanations given to us, there are no transaction of purchase and sale of goods and materials and services which were required to the extent in the register maintained under section 301 of the companies Act, 1956 aggregating during the period to Rs. 50,000/- or more in respect of each party.
12. The procedure for determination of unservicable or damaged stores, Raw Materials and Finished Goods does not arise on account of auction sale by Madhya Pradesh State Electricity Board on 25.5.2001.
13. The company has not accepted deposits from the public and as such, the provision of section 58-A of the Companies Act, 1956 and the rules framed there under have no application to this company.
14. In our opinion, the question of maintenance of reasonable records for the sale and disposal of realisable scrap is not applicable, as there were no production activity during the year.
15. The Company has no internal audit system during the year under audit as there was no production activity.
16. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the product of the company.
17. The provision of depositing Employees State Insurance and Provident Fund dues is not applicable to the company.
18. According to the information and explanations given to us no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Excise duty as on 31st March, 2002 for a period of more than six months from the date they became payable. Except the Central Sales Tax payable Rs. 9,832/-.
19. During the course of our Examination of the books of account carried out in accordance with the generally accepted auditing practices followed in India, we have not come across any personal expenses which have been charged to the Profit & Loss account other than those payable under contractual obligations and accepted business practices, nor have we been informed of such a case by the management.
20. The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the sick industrial companies (Special provisions) Act, 1985 being small scale industrial unit.

FOR C.H. PADLIYA & CO.
CHARTERED ACCOUNTANTS.

PLACE : BOTALGANJ, Distt. MANDSAUR.
DATED : THIS 13TH DAY OF AUGUST, 2002.

(C.H. PADLIYA)
PARTNER
M.NO. : 1637

Balance Sheet as at 31st March 2002

	Schedule	As at 31-03-2002 (Rs.)	As At 31-03-2001 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a. Share Capital	'A'	4140000	4140000
b. Reserves & Surplus	'B'	<u>150000</u>	<u>150000</u>
		41550000	41550000
LOAN FUNDS			
a. Secured Loans	'C-1'	-	-
b. Unsecured Loans	'C-2'	<u>5900</u>	<u>5900</u>
		<u>5900</u>	<u>5900</u>
		<u>41555900</u>	<u>41555900</u>
APPLICATION OF FUNDS			
1. Fixed Assets	'D'		
Gross Block		70000	31530955
Less : Depreciation		<u>70000</u>	<u>14045395</u>
Net Block			17485560
2. INVESTMENTS	'E'	2051080	2051080
3. CURRENT ASSETS, LOANS & ADVANCES	'F'		
a. Inventories		-	603200
b. Sundry Debtors		3974304	3989492
c. Cash & Bank Balances		67905	60956
d. Loans, Deposits & Advances		<u>1300332</u>	<u>1657419</u>
		5342541	6311067
LESS : Current Liabilities & Provisions	'G'	<u>7797007</u>	<u>12502260</u>
Net Current Assets		<u>(2454466)</u>	<u>(6191193)</u>
4. MISCELLANEOUS EXPENDITURE	'H'		
(To the Extent not written off)		41959286	28210453
		<u>41555900</u>	<u>41555900</u>
Notes to Accounts :	'O'		

For MANDSAUR FERRO ALLOYS LTD.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR C.H. PADLIYA & CO.
CHARTERED ACCOUNTANTS

(N.D. PAREKH)
DIRECTOR

(V.K. JAIN)
MANAGING DIRECTOR

(C.H. PADLIYA)
PARTNER
M.NO : 1637

PLACE : BOTALGANJ, MANDSAUR
DATED : THIS 13TH DAY OF AUGUST, 2002

**Profit & Loss Account for the
year ended on 31st March, 2002**

	Schedule	For the Year 2001-2002 (Rs.)	For the Year 2000-2001 (Rs.)
INCOME			
a. Sales	'I'	-	170358
b. Profit on Sale of Fixed Assets		-	88975
	Total (A)	-	259333
EXPENDITURE			
a. Decrease in Stock	'J'	-	130000
b. Raw Material Consumed	'K'	-	
c. Administrative & Other Expenses	'L'	158983	269031
d. Interest & Financial Expenses	'M'	1090	605
e. Miscellaneous Expenditure written off	'N'	254967	254963
f. Depreciation	'O'	-	2266690
g. Loss on Auction of Fixed Asset by M.P.E.B.		13588760	
	Total (B)	14003800	2911289
Loss for the year (A-B)		(14003800)	(2651956)
Less : Prior Period (Expenses)/Income		-	1831
		(14003800)	(2650125)
Add : Loss Brought forward from Previous Year		(27955486)	(25305361)
		(41959286)	(27955486)
NOTES ON ACCOUNTS :	'O'		

For MANDSAUR FERRO ALLOYS LTD.

'AS PER OUR REPORT OF EVEN DATE ATTACHED'
FOR C.H. PADLIYA & CO.
CHARTERED ACCOUNTANTS

(N.D. PAREKH)
DIRECTOR

(V.K. JAIN)
MANAGING DIRECTOR

(C.H. PADLIYA)
PARTNER
M.NO. : 1637

PLACE : BOTALGANJ, MANDSAUR
DATED : THIS 13TH DAY OF AUGUST, 2002

**Schedules 'A' to 'O' annexed to and forming part of the
accounts for the year ended on 31st March, 2002**

PARTICULARS	As at 31.3.2002 (Rs.)	As at 31.3.2001 (Rs.)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
42,50,000 Equity Share of Rs. 10 each.	42500000	42500000
ISSUED, SUBSCRIBED & PAID UP		
41,40,000 Equity Shares of Rs. 10 each fully paid up	41400000	41400000
(Previous year 41,40,000 Equity Shares of Rs. 10/- each)	41400000	41400000
SCHEDULE 'B'		
RESERVES & SURPLUS		
CAPITAL SUBSIDY		
Capital Subsidy Reserve	150000	150000
	150000	150000
SCHEDULE - 'C'		
UNSECURED LOANS 'C-2'		
From Directors	5900	5900
	5900	5900
SCHEDULE - 'E'		
INVESTMENTS		
Investment in Shares		
1. 9600 Equity Shares of Rs. 100/- each of M/s Pooja Ferro Alloys Pvt. Ltd. Previous year 9600 Unquoted	2026080	2026080
2. 5000 Unquoted Equity Shares of Rs. 10/- each of M/s Viraj Forgings Ltd. Rs. 50/- Paid per share. Previous Year 5000 Unquoted	25000	25000
	2051080	2051080

The allotment money of Rs. 25,000/- has not been paid on Oct, 1996 The Company is liable to pay the interest on this amount @ 18% from the due date and the shares are liable to be forfeited.

MANDSAUR FERRO ALLOYS LIMITED
ANNUAL REPORT 2001-2002

SCHEDULE - 12

STATEMENT OF FIXED ASSETS FOR THE YEAR ENDED ON 31-03-2002

S.No.	Name of the Assets	Gross block		As On 31-3-02	@%	Up to 31-03-01	Depreciation		Total upto 31-3-2002	Net block	
		As on 01-04-01	Addition during the year				Deduction during the year	for the Disposal/ Year Adjustment		As on 31-3-2002	As on 31-03-01
01.	Land	772947	-	772947	-	-	-	772947	-	-	772947
02.	Land & Site Development	150745	-	150745	-	-	-	150745	-	-	150745
03.	Factory Building	7691516	-	7691516	3.34%	1610840	-	6080676	-	-	6080676
04.	Well (Including Affixture)	61894	-	61894	1.63%	7298	-	54596	-	-	54596
Plant & Machinery :											
05.	Plant & Machinery Furnance etc.	15612100	-	15612100	10.34%	8933531	-	6678569	-	-	6678569
06.	Transformer & Generator	3236426	-	3236426	4.75%	1403914	-	1832512	-	-	1832512
07.	Cooling Tower	161800	-	161800	4.75%	67920	-	93880	-	-	93880
08.	Electrical Installation	2060032	-	2060032	4.75%	913157	-	1146875	-	-	1146875
09.	Laboratory Equipments	142026	-	142026	4.75%	57237	-	84789	-	-	84789
10.	Weigh Bridge	375870	-	375870	4.75%	149969	-	226501	-	-	226501
Vehicles :											
11.	Motor Car & Jeeps	395790	-	395790	9.50%	270574	-	125216	-	-	125216
12.	Truck	382207	-	382207	11.31%	374504	-	7703	-	-	7703
13.	Furniture & Fixtures	215546	-	215546	6.33%	183459	-	112087	-	-	112087
14.	Office Equipments	155557	-	155557	6.33%	69267	-	86290	-	-	86290
15.	Loose Tools & Jigs. etc.	7482	-	7482	4.75%	3097	-	4385	-	-	4385
16.	Cycle	1037	-	1037	7.07%	602	-	435	-	-	435
17.	Air conditioner	37980	-	37980	4.75%	10626	-	27354	-	-	27354
18.	Computer	70000	-	-	16.21%	70000	-	-	70000	-	-
Total (Rs.)		31530955	-	31460955	70000	14045395	-	17485560	70000	-	17485560
Previous Year		32530955	-	100000	31530955	11867680	2266690	86975	14045395	17485560	20663275

SCHEDULE- 'F'
CURRENT ASSETS, LOANS, & ADVANCES

1. Inventories

(As certified by the Management)
(At cost or realisable value which ever is lower)

Raw Material (Ceramic) (At cost)	-	57000	
Finished Goods (At Realisable value)	-	111000	
Work in Progress (At Realisable value)	-	97000	
Stores & Spares (At Cost)	-	335000	
Packing Material	-	3200	
		<u>609200</u>	609200

2. Sundry Debtors

More than 6 Months

Unsecured considered good	-	925005	
Considered Doubtful	3974304	3064487	
Others (Unsecured Considered Good)	-	-	
		<u>3974304</u>	3969492

3. CASH & BANK BALANCES

Balance with Scheduled Banks

a. Current Account	58972	58857	
	58972	58857	
Cash in hand & Imprest	8933	1089	
		<u>67905</u>	60956

4. LOANS, DEPOSITS & ADVANCES

Sundry Deposits	28050	31710	
Advance to Suppliers (Doubtful)	21000	136134	
Advance for Expenses	75552	78566	
Advance to Employee	28309	30009	
Advance for Capital Goods	27421	131000	
Income Tax Demand paid under dispute	1000000	1000000	
Amount due against sale of Assets	120000	250000	
		<u>1300332</u>	1657419

SCHEDULE-'G'

CURRENT LIABILITIES & PROVISIONS

Sundry Creditors **	2200653	2373654	
Liabilities for Expenses	58475	41355	
Liabilities for Public Issue	426422	426422	
Liabilities for Capital goods	130211	175823	
Other Liabilities	4981346	9485006	
		<u>77970097</u>	12502260

** Including Rs. 360953/- due to small scale undertakings (listed below) exceeding Rs. 1 lacs each outstanding for more than 30 days and Rs. --Nil-- for less than 30 days (previous year Rs. 464532/-)

(Agrawal Metal Industries, Mumbai, Transformers & Ractifire (India)).

SCHEDULE-'H'

MISCELLANEOUS EXPENDITURE :

(To the extent not written off)

Preliminary Expenses	-	1287	
Public Issue Expenses	-	247553	
Promoters Capital Issue Expenses	-	6127	
Debit Balance of Profit & Loss A/c	41959286		27955486
		<u>41959286</u>	<u>28210453</u>
		<u>41959286</u>	<u>28210453</u>

SCHEDULE -'I'

Sales :

Net Sales	-		170358
			<u>170358</u>

SCHEDULE- 'J'

INCREASE/DECREASE IN STOCK

Finished Goods (As on 01-04-2001)	111000	241000	
Work in progress (As on 01-04-2001)	97000	97000	
		208000	338000
LESS : CLOSING STOCK			
Finished Goods (As on 31-03-02)	-	111000	
Work in progress (As on 31-03-02)	-	97000	
			208000
Decrease in stock (Loss on auction sale by M.P.E.B.)		(208000)	(130000)

SCHEDULE- 'K'

RAW MATERIAL CONSUMED

	CEREMIC	CERAMIC
Opening Stock (As on 01-04-2000)	57000	57000
Add : Purchases (Net) (During the year)	57000	57000
Less : On auction sale by MPEB	57000	57000

SCHEDULE- 'L'

ADMINISTRATIVE, ESTABLISHMENT & OTHER EXPENSES.

Salaries & Allowances	24000	96173
Telephone & Trunkcall Expenses	6631	15681
Postage & Telegrams	1198	1908
Legal & Professional Charges	12700	16000
Printing & Stationery	2539	2162
Repair & Maintenance (General)	-	9000
Freight & Cartage (General)	-	30
Exp. On Annual General Meeting	81864	53970
Vehicle Running & Maintenance	-	550
News Papers & Periodicals	-	1002
Office Expenses	-	786
Rates & Taxes	7177	7500
Repairs & Maintenance (Computer)	2800	-
TRAVELLING EXPENSES		
Directors	-	-
Others	-	324
		324
HALTING EXPENSES		
Directors	-	2497
Others	3854	6377
	3854	8874
Electricity Charges	200	11417
Miscellaneous Expenses	3020	3389
Computer Operating Expenses	6000	4000
Insurance Charges	-	6765
AUDITORS REMUNERATION		
Audit Fees	7000	11000
Fees in other Capacity	-	8500
	7000	19500
Total (Rs.)	158983	258031

SCHEDULE- 'M'

INTEREST & FINANCIAL CHARGES

Bank Commission & Charges	1090	605
	1090	605

SCHEDULE- 'N'

MISCELLANEOUS EXPENDITURE WRITTEN OFF

1/10 of Preliminary Expenses	1287	1282
1/10 of Public Issue Expenses	247553	247551
1/10 of Promoters Capital Issue Exp	6127	6130
	254967	254963

SCHEDULE- 'O'

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2002

A) SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING :

- a. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except those with insignificant uncertainties.
- b. Financial statements are based on accounting policies referred to otherwise are consistent with generally accepted accounting principles.

2. FIXED ASSETS :

- a. There are no fixed assets except computer as all the assets were auctioned by Madhya Pradesh Electricity Board on 25.5.2001.
- b. There are no fixed assets hence the question of depreciation on the same does not arise.
- c. The fixed assets of the company except computer were auctioned by the Madhya Pradesh Electricity Board, Mandasaur against its due on 25.5.2001 for Rs. 45,00,000/- on which loss of Rs. 1,35,88,760/- was incurred which has been charged to Profit & Loss Account.

3. INVESTMENTS :

Investment in shares which are unquoted, is made at cost. No Provision is made for any diminution in the value of shares, if any, as the shares are not quoted in the market.

4. INVENTORIES :

There was no Closing Stock of Raw Material, Stores & Spares, Work-in-Progress and Finished Goods the question of valuation does not arise.

5. TREATMENT OF MISCELLANEOUS EXPENDITURE :

Miscellaneous expenditure (i.e. preliminary and public issue expenses etc.) are written off over a period of 10 years.

6. CONTINGENT LIABILITIES :

Contingent Liabilities are not provided for and have been disclosed by way of notes on accounts.

B. NOTES ON ACCOUNTS :

1. CONTINGENT LIABILITIES NOT PROVIDED FOR :

	(Rs. in Lacs) (Current year)	(Rs. in Lacs) (Previous Year)
a. In respect of telephone bills in the name of company, the matter is pending before consumer forum. (A sum of Rs. 0.41 Lacs has been paid under protest).	0.51	0.51
b. In respect of capital subsidy received from Govt. or M.P.	-	1.50
c. The company has not deposited the amount due on allotment amounting to Rs. 25,000/- for the investment in the shares of Viraj Forgings. The amount is payable with interest @ 18% per annum from 30.11.96. The shares may be forfeited non payment of allotment money.	-	-
d. The Income Tax Assessment of the company has been completed upto assessment year 2000-2001. The total demand of Income-tax under appeal and in dispute is Rs. 26,36,137/- pertaining to A.Y. 92-93 to 93-94. Pending decision of the appeal a sum of Rs. 10,00,000/- has been deposited by the company under protest. The same has been treated as advance recoverable in cash or kind	-	-
e. There is contingent liability of the company to the extent of Rs. 8,26,506/- to Madhya Pradesh State Electricity	-	-



Board which is under dispute.

1. No provision has been made for annual listing fees since F.Y. 1998-99 for which company has been listed with Idore, Mumbai, Calcutta and Ahmedabad Stock Exchanges.
2. 1/10th of Miscellaneous Expenditure i.e. preliminary and public issue expenses etc, have been written off for the year.
3. No provision for gratuity has been made in respect of gratuity payable to the staff, if gratuity Act, is applicable.
4. Balance of Debtors, Creditors and Loan & advances are subject to confirmations, reconciliation and adjustments, if any.
5. In absence of details from the Registrar to issue, the liability for share application money could not be adjusted till date.
6. Previous year figures have been regrouped or rearranged to make them comparable with current year figures. The computer error occurred in figures of loss for the previous year has been correctly reflected in the previous years figures.
7. No provision for doubtful debts of Rs. 42.15 lacs has been made, out of which Rs. 2.36 lacs are under dispute.
8. The commercial production of the company has been suspended from the month of May, 1999 and further on account of seizure and auction of the assets of the company by Madhya Pradesh State Electricity Board.
9. The Madhya Pradesh State Electricity Board, Mandsaur has auctioned the factory alongwith fixed assets lying in the factory for Rs. 45 lacs. The balance of Rs. 49,71,514/- excluding the claim of expenses on auction is still outstanding. The company has filed suit before District Judge, Mandsaur on 24.6.02 challenging the legality of the auction. The same is pending till the date of audit.
10. The figures have been rounded off to nearest rupee.
11. Additional information pursuant to the provision of the part II of schedule VI to the companies Act, 1956 is as per Annexure.

Signature to schedule 'A' to 'O'

For C.H. Padliya & Co.
Chartered Accountants

For Mandsaur Ferro Alloys Ltd.

(C.H. Padliya)
Partner.

(V.K. Jain)
Managing Director

(N.D. Parekh)
Director

Place: Botalganj, Mandsaur

Dated: This 13th Day of August 2002.

Additional Information Pursuant to the provision of paragraphs 3 & 4 of part II of schedule VI to The companies Act, 1956 (as referred in point no. 11 of Notes on Accounts) as provided by the Management and relied by auditors being technical matters pertaining to Capacity production and consumption.

Products	Ceramic glazed tiles 2001-2002		Ceramic glazed tiles 2000-2001	
i. A. Licenced Capacity	Factory Auctioned		7200 MT	
B. Installed Capacity	by M.P.E.B.		7200 MT	
ii. C. Production	Tiles	Sanitary Wares	Tiles	Sanitary Wares
	(In M.T.)	(In Nos.)	(In M.T.)	(In Nos.)
Finished	-Nil-	-Nil-	-Nil-	-Nil-
Unfinished (work in progress)	-Nil-	-Nil-	-Nil-	-Nil-
iii. Sales (Net) *	-Nil-	-Nil-	21.070	24
	(--)	(--)	(168840)	(1518)
iv. Stock				
a. Opening stock finished	6.171 (38000)	1161 (61000)	27.241 (178000)	1185 (63000)
Unfinished	7.326 (97000)	-Nil- (--)	7.326 (97000)	-Nil- (--)
b. Closing stock finished	-Nil- (--)	-Nil- (--)	6.171 (38000)	1161 (61000)
Unfinished	-Nil- (--)	-Nil- (--)	7.326 (97000)	-Nil- (--)
v. Raw material consumed (indigenous)				
	Unit	Qty	Value	Qty
a. Body Materials	M.T.	-Nil-	-Nil-	-Nil-
b. Glazed, frits & chemicals	M.T.	-Nil-	-Nil-	-Nil-
	M.T.	-Nil-	-Nil-	-Nil-
Indigenous		-Nil-	-Nil-	-Nil-
Imported		-Nil-	-Nil-	-Nil-
vi. Value of imports on CIF basis				
Capital Goods		-Nil-		-Nil-
vii. Expenditure in foreign currency		-Nil-		-Nil-
viii. Earning in foreign currency		-Nil-		-Nil-

* The stock of Finished, Unfinished including Stock of Raw Material sold in the auction of the factory on 25.5.2001 by Madhya Pradesh State Electricity Board.

Cash flow statement for the year ended on 31-03-2002

(Prepared pursuant to the Listing Agreement with Stock Exchanges)

	31.3.2002	31.3.2001
A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net profit before tax & Extra ordinary items	(14003800)	(2650125)
Adjustments for:		
Depreciation	--	2266690
Foreign Exchange	--	--
Investment	--	--
Interest/Dividend (Net)	--	--
Preliminary expenses written off	254967	254963
Profit on sale of fixed assets	--	(88975)
Loss on sale of fixed assets (Auction)	<u>13588760</u>	--
	<u>13843727</u>	<u>2432678</u>
Operating profit before working capital changes	(160073)	(217447)
Adjustment for: Trade & other Receivable	372275	(7265)
Inventories	603200	130000
Trade payables	<u>(4705253)</u>	<u>(868821)</u>
	<u>(3729778)</u>	<u>(746086)</u>
Cash generated from operations	<u>(3889851)</u>	<u>(963533)</u>
Interest paid	--	--
Direct Taxes paid	--	--
Net cash flow from operating activities	<u>(3889851)</u>	<u>(963533)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	--	--
Deduction from fixed assets (4500000-603200)	3896800	1000000
Acquisition of Companies	--	--
Purchase of Investments	--	--
Sale of Investments	--	--
Interest Received	--	--
Dividend Received	--	--
Net cash used in investing activities	<u>3896800</u>	<u>1000000</u>
	6949	36467

C. CASH FLOW FROM FINANCIAL ACITVITES

Proceeds from capital issue	--	--
Proceeds from long term Borrowings	--	--
Repayment of finances lease liabilities	--	<u>(73682)</u>
Dividend paid	--	--
Net cash used in financing activities	--	<u>(73682)</u>
Net Increase in cash & cash Equivalents	<u>6949</u>	<u>(37215)</u>
Closing Balance of Cash & Cash Equivalents	60956	98171
Opening Balance of Cash & Cash Equivalents	67905	60956

For and on behalf of the Board of Directors.

Place : Botalganj, Distt. Mandsaur
Dated : This 13th day of August, 2002

(V.K. Jain)
(Chairman & Managing Director)

We have examined the above cash flow statement of Mandsaur Ferro Alloys Limited Mandsaur for the period ended on 31-03-2002. The statement has been prepared by the company in accordance with the requirements of listing agreement clause No. 32 with stock exchange and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of 13th, August, 2002 to the members of the company.

For C.H. Padliya & Co.
Chartered Accountants

Place : Botalganj, Mandsaur
Dated : 13th Day of August, 2002

(C.H. Padliya)
Partner
M. No. : 1637

Annexure-II

Balance sheet abstract and company's General Business Profile

I. Registration Details			
Registration No. 10-05049 (dtd. 31-01-1989)		State code-10	
Balance sheet date	31	03	2002
	Date	Month	Year
II. Capital raised during the year (amount in Rs. Thousands)			
	Public issue	Rights issue	
	Nil	Nil	
	Bonus issue	Private Placement	
	Nil	Nil	
III. Position of Mobilisation and Deployment of funds			
(Amount in Rs. Thousands)			
	Total Liabilities	Total Assets	
	41,555.900	41,555.900	
Sources of funds	Paid-up Capital	Reserves and surplus	
	41,400.000	150.000	
	Secured Loans	Unsecured Loans	
	Nil	5.900	
Application of funds	Net fixed Assets	Investments	
	NIL	2051.080	
	Net current Assets	misc. Expenditure	
	(2454.466)	NIL	
	Accumulated Losses		
	41959.286		
IV. Performance of company (Amount in Rs. Thousands)			
	Turnover	Total Expenditure	
	NIL	415.040	
	Profit/(Loss) Before Tax	Profit/(Loss) after Tax	
	(14003.800)	(14003.800)	
V. Generic Names of three principal products/Services of company (as per monetary terms)			
item code No. : (Itc code) 6908			
Product Description : Ceramic tiles			

For Mandsaur Ferro Alloys Limited

(N.D. Parekh)
Director

(V.K. Jain)
Managing Director

For C.H. Padliya & Co.
Chartered Accountants

Place : Botalganj, Mandsaur
Dated : 13th Day of August 2002.

(C.H. Padliya)
Partner
M. No. : 1637

MANDSAUR FERRO ALLOYS LIMITED
ANNUAL REPORT 2001-2002

MANDSAUR FERRO ALLOYS LIMITED

Regd. Office : Botalganj, Mhow-Neemuch Road, Distt. Mandsaur - 458 001 (M.P.)

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending Member (In Block Letters)	Member's Folio Number
Name of Proxy (in Block Letters) (To be filled in if the proxy attends in stead of the Member)	

Member's / Proxy Signature

(To be signed at the time of handing over this slip)

~

MANDSAUR FERRO ALLOYS LIMITED

Regd. Office : Botalganj, Mhow-Neemuch Road, Distt. Mandsaur - 458 001 (M.P.)

PROXY FORM

I / We being a
of member/members of the above named company, hereby appoint
of
or failing him / her
of
as my / our proxy to vote for me / us on my / our behalf at the THIRTEENTH ANNUAL GENERAL MEETING of the Company to be held at 4.30 p.m. on Monday, 30th September, 2002 and at any adjournment thereof.

Signed

Date

Note : Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

Revenue Stamp Re. 1/-

PRINTED MATTER

If undelivered, please return to :
MANDSAUR FERRO ALLOYS LIMITED
Botalgunj, Mhow-Neemuch Road,
Distt. Mandsoaur - 458 001 (M.P.)