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Atma Steels Limited

***27th Annual Report
1998-99***

ATMA STEELS LIMITED

BOARD OF DIRECTORS	:	Shri Harbhajan Singh Shri Deepak Singh Shri Ravi Kathpalia Shri Bansi Ram	Director Executive Director Nominee - BIFR Director
BANKERS	:	BANK OF BARODA Gandhi Nagar, Ghaziabad	
AUDITORS	:	B.K. Kapur & Co. Chartered Accountants Navyug Market, Ghaziabad	
REGISTERED OFFICE AND WORKS	:	C-139-142, Industrial Area - 1 Bulandshahr Road, Ghaziabad	
ADMINISTRATIVE OFFICE	:	112, Ansal Bhawan 16, K.G. Marg, New Delhi	


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ATMA STEELS LIMITED

Regd. Office :
C-139-142, Ind. Area,
Bulandshahar Road,
GHAZIABAD (U.P.)

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Friday, the 24th Sept., 1999 at 10.30 A.M. at the Registered Office of the Company at C-139-142, Industrial Area-1, Bulandshahar Road, Ghaziabad to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 1999, and the Profit and Loss Account for the Financial Year ended on that date together with the Report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Harbhajan Singh, who retires at this Meeting, but being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. M/s.B.K.Kapur & Co., Chartered Accountants, the retiring auditors being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD
for **ATMA STEELS LIMITED**

PLACE : NEW DELHI
DATE : August 25, 1999

(DEEPAK SINGH)
EXECUTIVE DIRECTOR

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and to vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed herewith.
2. The Register of Members & Share Transfer Books of the Company shall remain closed from 23rd Sept., 1999 to 24th Sept., 1999 (both days inclusive).
3. Member are requested to inform the Company immediately the changes, if any in their Registered address alongwith Pin code No.
4. All documents referred to in the accompanying Notice and copy of Balance Sheet as at 31.03.1999 and Profit & Loss Account for the period ended on that date are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
5. Member who wish to seek clarification/information on the Annual Accounts at the Annual General Meeting are requested to forward their queries so as to reach the Company atleast 10 days before the meeting, so that relevant clarification/information is collected and kept ready.

BY ORDER OF THE BOARD
for **ATMA STEELS LIMITED**

PLACE : NEW DELHI
DATE : August 25, 1999

(DEEPAK SINGH)
EXECUTIVE DIRECTOR

ATMA STEELS LIMITED**DIRECTOR'S REPORT**

TO
THE MEMBERS,
ATMA STEELS LIMITED

The Directors present their 27th Annual Report on the operations of the Company together with the audited Statement of Accounts for the year ended March 31, 1999.

	(Rs. in Lakhs)	
	Current Year	Previous Year
Sales & Other Income	0.05	178.67
(Loss)	(779.85)	(703.95)
(Add) / Less :		
Previous Years' adjustments (Net)	(2.17)	26.20
(Loss) / Profit Brought Forward	(2312.69)	(1634.94)
(Deficit) carried forward to Balance Sheet	(3094.71)	(2312.69)

DIVIDEND

In view of losses, the Directors express their inability to recommend any dividend.

CLOSURE OF FACTORY

The Company's factory at Ghaziabad was put under closure w.e.f. 30.6.97 due to heavy operational losses and inadequate working capital finance. The Company has given due notice of this to all the concerned statutory departments. As on date, the unit is still under closure.

OPERATIONS

Since the factory is under closure, there was no sales. The expenses were to the tune of Rs. 779.85 Lakhs. Which was mainly due to the provision made for diminution in value of stock Rs.43.24 Lakhs, Provision for Doubtful Debts Rs. 567.68 Lakhs, Provision for Doubtful Advances Rs.17.25 Lakhs, provision for diminution in long term investments Rs. 4.00 Lakhs and Legal expenses Rs. 3.98 Lakhs etc.

REFERENCE TO BIFR

As informed in the last Report the Company has been declared a Sick Company by B.I.F.R. The Operating Agency i.e. I.F.C.I. after appraising the viability and joint meetings with Company and other concerned agencies have submitted its report to the B.I.F.R. The matter is under consideration of B.I.F.R.

FUTURE OUTLOOK

Your Company has submitted its revival proposal to I.F.C.I., the operating agency appointed by B.I.F.R. Your directors are keen on restarting the manufacturing activities however, it depends upon finalisation of revival scheme by Operating Agency and approval thereof by Hon'ble B.I.F.R.

DEPOSITS

The Company has not accepted any deposit from the public.

DIRECTORS

During the year under review, Sh. Harbhajan Singh, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Sh. Balbir Singh resigned from the Board. Your directors have placed on record their appreciation for the valuable services rendered by Sh. Balbir Singh.

ATMA STEELS LIMITED**PERSONNEL**

The Board wish to express its appreciation to all the employees of the Company for their support and co-operation to the Company during this difficult period.

The claims of certain Employees retrenched upon closure of factory have been settled, and for the remaining it is being in the process of settlement.

Information in regard to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, has not been given since no employee of the Company was in receipt of remuneration for which information is required to be given.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 relating to the matter contained therein is not applicable as the factory was under closure & there was no production activity during the year. Further, your Company has neither earned nor incurred any amount in foreign exchange.

SUBSIDIARY

The Company does not have any subsidiary company.

AUDITORS

The Auditors M/s. B.K.Kapur & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and eligible for re-appointment. They have furnished certificate to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies act, 1956.

AUDITORS' REPORT

The Auditors' observations are self explanatory and, therefore, do not call for any further comments. Further, Auditors' observations in other paras of their report are noted by the Board for due compliance, wherever required.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the co-operation extended by the Government, Financial Institutions, Bankers, B.I.F.R. and other Agencies during this period.

We also deeply acknowledge and appreciate the continued trust and confidence reposed by the Shareholders of the Company.

On Behalf of the Board of Directors

PLACE : NEW DELHI

(DEEPAK SINGH)

(HARBHAJAN SINGH)

DATE : August 25, 1999

Executive Director

Director

ATMA STEELS LIMITED**AUDITORS' REPORT****TO THE SHARE HOLDERS OF ATMA STEELS LIMITED**

We have audited the attached Balance Sheet of **ATMA STEELS LIMITED** as at 31st March, 1999 and also the Profit and Loss Account for the year ending on the even date annexed thereto.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks and examination of the books and records of the Company as are considered appropriate, and the information and explanations given to us during the course of our audit, we report that.

- i) As informed to us, the company has been maintaining proper records showing full particulars including quantitative details and situation of its fixed assets. However, these records have not been made available this year for our verification. We are informed that no physical verification of the fixed assets could be carried out during the year by the management. In view of this, question of noticing by the management of any discrepancy between book records and physical verification, does not arise.
- ii) None of the fixed assets of the company have been revalued during the year.
- iii) As informed to us, physical verification in respect of finished goods, goods-in-process, stores, spare parts and raw materials could not be conducted during the year by the management.
- iv) In view of the fact that inventory could not be physically verified during the year by the management, our comment on Para graphs 4 A(iv) and 4 A(v) of the Order regarding reasonableness and the adequacy of procedures and discrepancy in physical verification as compared to books records respectively, are not required.
- v) On the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vi) The Company has taken interest free unsecured loans from Companies in which directors are interested. In our opinion the terms and conditions of such loans, prima facie are not prejudicial to the interest of the company. Except above, no other secured or unsecured loans have been taken by the Company from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As informed to us by the management, there is no Company under the same Management, as defined under section 370 (IB) of the Companies Act, 1956.
- vii) The Company has granted interest free unsecured loans having maximum balance at any time during the accounting year at Rs.28.95 Lakhs to a Company in which directors are interested. In our opinion the terms and conditions of such loans, except these are interest free, are not prima facie prejudicial to the interest of the company. No secured or unsecured loans, other than as stated above, have been granted by the Company to firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
As informed to us by the management, there is no Company under the same Management, as defined under Section 370 (IB) of the Companies Act, 1956.
- viii) Interest free loans or advances in the nature of loans, have been given by the Company to certain parties as well as to its employees. There are no stipulations for the time being as regards to their repayment.
- ix) As there is no transaction for purchase and sale of goods, materials including components and plant and machinery and services, therefore, no comment is required to be made under paragraphs 4 A(x) and 4 A(xi) of the Order.

However, during the course of our audit, we observed that company had maintained large cash balances on hand far in excess of its normal business requirement.

ATMA STEELS LIMITED

- x) Since no physical verification of inventories could be conducted during the year by the management, unserviceable or damaged stores, raw materials, spares, goods-in-process and finished goods could not be determined. However, management has made provisions for diminution in the value due to possible deterioration in quality of the inventories lying with the company. It being a technical matter, we are unable to comment on the adequacy of such provisions.
 - xi) On the basis of information given and records produced to us, no deposit has been accepted by the company.
 - xii) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. The Company has no by-product.
 - xiii) There was no internal audit during the year.
 - xiv) As informed to us, the Central Government, has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
 - xv) According to the records of the company Provident Fund and Employee State Insurance dues have not been deposited during the year with appropriate authority. There were arrears of such dues as at 31st March, 1999 at Rs.9.71 Lakhs.
 - xvi) On the basis of information and explanations given to us, except Sales Tax, there were no undisputed amounts payable in respect of Income tax, wealth tax, Custom duty, Excise duty as at 31st March, 1999, which was outstanding for the period of more than six months from the date they became payable. However, undisputed liability in respect of Sales Tax for the aggregate sum of Rs.40.00 Lakhs outstanding for more than six months, have re-mained unpaid.
 - xvii) According to the information and explanation given to us and based on our examination of the records, no personal expenses have been charged to the revenue account other than those payable under contractual obligation or generally accepted business practices.
 - xviii) The Company has become 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. Further reference has also been made to Board for Industrial Reconstruction (BIFR) under Section 15 of SICA, 1985.
 - xix) There was no trading activities during the year
2. Further to above we report that :-
- i) 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. However, the supporting details in respect of contingent liabilities have not been made available to us as such we are not in a position to comment on the correctness of the said liability.
 - ii) In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
 - iv) Attention is drawn to the Significant Accounting Policy A (i) regarding presentation of accounts on the principles, applicable to going Concern basis, despite full erosion of net worth of the company and closure of operations. We are unable to express our opinion on the applicability of the going concern concept in this situation as it depends on the outcome of Revival/Rehabilitation Scheme already submitted by the company to BIFR for finalisation.
 - v) Attention is further invited to the following observations/ notes to accounts as referred to in Schedule '17':-
 - a) Non-creation of the security in respect of non-Convertible Debentures shown under Secured Loans.
 - b) Note No.18, regarding non-furnishing of information in respect of dues of small scale Industrial Undertaking (SSI) as required under Schedule VI to the Companies Act, 1956.