



BAJAJ STEEL INDUSTRIES LIMITED
41st Annual Report 2001-2002

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Whole-time Director	Shri Ashish Bajaj
Directors	Shri Vinodkumar Bajaj Shri Lalchand Mutha Smt. Ramadevi Rula Shri Prakash Maheshwari Shri Kamal Kishore Kela Shri Mohan Agrawal
Company Secretary	Shri Anand Daga
Auditors	K. C. Agrawal & Co., Nagpur Bajaj Rege Patel, Mumbai
Bankers	Bank of Maharashtra State Bank of India
Registered Office	Imambada Road NAGPUR - 440 018
Works	Imambada Road NAGPUR - 440 018 D-5/2, MIDC Area, NAGPUR - 440 028 B-14, MIDC Area, NAGPUR - 440 028 Bajaj - Gram, Post - Savli, Sausar - 480 106 Distt. - Chhindawara (M.P.)

BAJAJ STEEL INDUSTRIES LIMITED**NOTICE TO MEMBERS**

NOTICE is hereby given that the Forty-First Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Saturday, the 28th day of September, 2002 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Opp. Sales Tax Office, Civil Lines, Nagpur - 440 001 to transact the following business :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Smt. Ramadevi Ruia, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri V. K. Bajaj, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

Imambada Road,
Nagpur - 440 018

Dated : 17th August, 2002

By order of the Board

Anand Daga
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Register of Members of the Company will remain closed on 28th September, 2002.
3. Members are requested to :
 - a) Intimate to the Company the changes, if any, in their registered addresses alongwith Pin Code Number.
 - b) Quote their Folio Number in all their correspondence.
4. Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all share holdings into one folio.



REPORT OF THE DIRECTORS

The Directors present their Forty-First Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2002 :

FINANCIAL RESULTS

	31.03.2002	31.03.2001
	Rs.	Rs.
SALES AND OTHER INCOME	686,312,333	498,905,585
Gross Profit	47,783,845	4,328,582
Less : Interest	27,660,981	25,446,147
: Depreciation	17,194,968	19,056,196
	44,855,949	44,502,343
Net Profit / (Loss)	2,927,896	(40,173,761)
Add : Balance Brought Forward	96,785	394,546
Previous Period Adjustments	(522,416)	-
Transferred from General Reserve	-	43,000,000
	2,502,265	3,220,785
Less : Appropriations		
Provision for Devaluation of Investment	-	1,735,000
Provision for Doubtful Debts	696,705	1,389,000
Balance Carried Forward	1,805,560	96,785

DIVIDEND

Due to restrictions imposed by the bankers to the Company, the Directors are unable to recommend any dividend for the year under review.

WORKING & FUTURE PROSPECTS

During the year under review, the failure of Cotton Crop resulted in unsatisfactory working of Steel Division. The working of the Plastic Division was not satisfactory due to general recession; the sales of the Company have increased without any commensurate increase in the margins.

The Board of Directors are trying their best to improve the performance of the Company. Sales during the first 3 months of the current year is Rs. 134.43 millions against Rs. 129.57 millions for the corresponding period of the previous year.

AUDITORS' REPORT

As regards observations in Para 6 of Auditors' Report, the Directors state that Note No. 7 of Schedule 14 is self-explanatory.

PUBLIC DEPOSITS

Out of the public deposits aggregating to Rs. 23,487,000/- as on 31st March, 2002, Seven deposits amounting to Rs. 48,000/- though matured before 31st March, 2002 were not claimed by the depositors, of these Three deposits amounting to Rs. 28,000/- are unclaimed as on the date of this report.

PARTICULARS OF EMPLOYEES

There is no employee in respect of whom particulars pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; are required to be given.

BAJAJ STEEL INDUSTRIES LIMITED**CONSERVATION OF ENERGY**

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimise the loss of energy as far as possible.

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

The Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its products. The technology used by the Company is updated as a continuous exercise. The Company does not have a separate Research and Development activity.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Travelling and other matters etc. are shown in the Notes No. 14, 15 and 17 respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these notes.

LISTING OF SHARES

The Equity Shares of the Company are listed on The Stock Exchange, Mumbai.

DIRECTORS RESPONSIBILITY STATEMENT

As per provision of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and the Profit and Loss Account of the Company for the period.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

DIRECTORS

Smt. Ramadevi Ruia and Shri V. K. Bajaj, retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s K. C. Agrawal & Co., Chartered Accountants, Nagpur and M/s. Bajaj Rege Patel, Chartered Accountants, Mumbai retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The Directors are grateful to the Bankers and Financial Institutions for their continued support, co-operation and assistance during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year.

NAGPUR

Dated : 17th August, 2002

For and on behalf of the Board

Hargovind Bajaj
Chairman



AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Bajaj Steel Industries Limited as on 31st March, 2002 and also the annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books of account of the Company.
3. The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account of the Company.
4. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable, and
5. On the basis of the written representations from the Directors, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and in particular *Note No. 7 of Schedule 14 regarding non-provision of Excise Duty on finished goods* give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

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, we further report that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified by the management during the period and no serious discrepancies have been noticed on verification.
2. None of the fixed assets of the Company have been revalued during the year.
3. The stocks of the finished goods, semi-finished goods, stores and spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on the physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles and is not on the same basis as in the preceding years. However there is no impact on the profit for the year.
7. The Company has obtained unsecured loans from parties listed in the registers maintained under Section 301 and 372A(5)(a) of the Companies Act, 1956 and the rate of interest and the terms and conditions of such loans are not prima facie, prejudicial to the interest of the Company.

BAJAJ STEEL INDUSTRIES LIMITED

8. The Company has granted unsecured loans to parties listed in the registers maintained under Section 301 and 372A(5)(a) of the Companies Act, 1956 and the rate of interest and the terms and conditions of such loans are not, prima facie prejudicial to the interest of the Company.
9. Loans and Advances in the nature of loans given to employees and third parties are being repaid as stipulated together with interest, where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or at the prices at which the transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, Company has a regular procedure for determination of unserviceable or damaged stores, raw materials or finished goods. Adequate provisions have been made in the accounts for loss arising from the items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58-A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public.
14. As explained to us, the Company does not produce any by-products and therefore, no records are being kept for the disposal of the same. However, records for the sale and disposal of scraps which are insignificant are not maintained, the same being accounted for at the time of disposal.
15. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
16. As per information given 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 Company's products during the year under review.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. As per the information and explanations given to us, there were no damaged items in the case of goods traded by the Company during the accounting year.
21. The Company is not a sick industrial company within the meaning of Clause (0) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For Bajaj Rege Patel
Chartered Accountants
S. R. Rege
Proprietor
Nagpur
Dated : 17th August, 2002

For K. C. Agrawal & Co.
Chartered Accountants
K. C. Agrawal
Proprietor



BALANCE SHEET AS AT 31ST MARCH, 2002

	Schedule	31.03.2002 Rs.	31.03.2001 Rs.
SOURCES OF FUNDS			
1. Shareholder's Funds :			
a) Share Capital	1	22,000,000	22,000,000
b) Reserves & Surplus	2	47,095,806	45,387,031
		69,095,806	67,387,031
2. Loan Funds :			
a) Secured Loans	3	108,036,234	113,414,978
b) Unsecured Loans	4	86,686,518	35,271,124
		194,702,752	148,686,102
		263,798,558	216,073,133
APPLICATION OF FUNDS			
3. Fixed Assets :	5		
a) Gross Block		317,739,177	301,206,471
b) Less : Depreciation		224,291,483	208,099,966
c) Net Block		93,447,694	93,106,505
d) Add : Capital Work-in Progress		72,111	-
		93,519,805	93,106,505
4. Investments	6	4,379,179	4,380,969
5. Current Assets, Loans and Advances :	7		
a) Inventories		109,328,952	99,702,693
b) Sundry Debtors		71,839,623	49,198,706
c) Cash and Bank Balances		21,821,721	15,780,713
d) Loans and Advances		37,811,864	31,603,244
		240,802,160	196,285,356
Less :			
6. Current Liabilities and Provisions :	8		
a) Current Liabilities		68,869,987	72,489,929
b) Provisions		6,032,599	5,209,768
		74,902,586	77,699,697
Net Current Assets		165,899,574	118,585,659
		263,798,558	216,073,133
NOTES ON ACCOUNTS	14		

As per report attached
For Bajaj Rege Patel
Chartered Accountants
S. R. Rege
Proprietor

K. C. Agrawal & Co.
Chartered Accountants
K. C. Agrawal
Proprietor

Rohit Bajaj
Managing
Director

Sunil Bajaj
Executive
Director

Ashish Bajaj
Whole-time
Director

Nagpur
Dated : 17th August, 2002

Anand Daga
Company Secretary

H. G. Bajaj
V. K. Bajaj

K. K. Kela
Mohan Agrawal
DIRECTORS