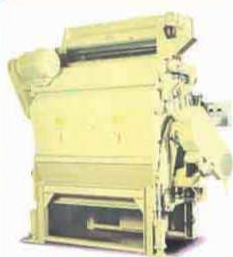


# ANNUAL REPORT 2010-11



## BAJAJ DOUBLE ROLLER COTTON GIN GOLDEN JUBILEE MODEL



Bajaj  
CEC LE 176 DELINTER



Bajaj  
CEC HULL BEATER



Bajaj  
CEC DE-CORTICATOR / SEPARATOR



Bajaj  
CEC COTTON SEED CLEANER



Bajaj  
CEC LINTER CLEANER  
LC410D



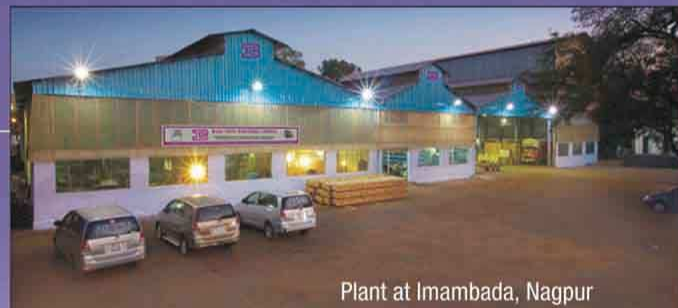
**BAJAJ STEEL  
INDUSTRIES LTD.**

BAJAJ STEEL



## BAJAJ STEEL INDUSTRIES LTD.

Imambada Road,  
Nagpur-440 018. (MS) India  
**Tel** + 91 712 272 0071-80  
**Fax** + 91 712 272 3068, 272 8050  
**Email** bsi@bajajngp.com



Plant at Imambada, Nagpur

Visit us at [www.bajajngp.com](http://www.bajajngp.com)



Plant at C-108, MIDC Hingna, Nagpur

# 50<sup>th</sup> ANNUAL REPORT

## BAJAJ STEEL INDUSTRIES LIMITED

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Board of Directors	Shri Vinod Kumar Bajaj (Promoter - Non-Executive Director) Shri Lachland Mutha - Non-Executive Director  Shri Kamal Kishore Kela - Independent Director Shri Mohan Agrawal - Independent Director Shri Alok Goenka - Independent Director Shri Raj Kumar Lohia - Independent Director Shri Rajiv Ranka - Independent Director Shri Deepak Batra - Independent Director
Company Secretary	Shri Jagdish Shirke
Chief Financial Officer	Shri Manish Sharma
Audit Committee of Board of Directors	Shri Deepak Batra - Chairman Shri Rajiv Ranka - Member Shri Alok Goenka - Member
Remuneration Committee of Board of Directors	Shri Deepak Batra - Chairman Shri Rajiv Ranka - Member Shri Alok Goenka - Member
Auditors	B. Chhawchharia & Co. 602, Govind Estates, Plot No. 172 Shivaji Nagar, Nagpur - 440 010
Bankers / Financial Institution	SICOM LIMITED, Mumbai State Bank of India, Bhopal The Karur Vysya Bank Limited & Axis Bank Limited, Nagpur
R & T Agent	Adroit Corporate Services Pvt Ltd 1 <sup>st</sup> Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai 400059 Tel : (022) 2859 0942/4442/4428/4060 E.mail: <a href="mailto:adroits@vsnl.net">adroits@vsnl.net</a>
Registered Office	Imambada Road Nagpur - 440 018 E.mail: <a href="mailto:cs@bajajngp.com">cs@bajajngp.com</a>
Works	Imambada Road, Nagpur-440018 Plot No. B-14, C-108 & D-5/2 Hingna MIDC Area, Nagpur -440028

## **NOTICE TO MEMBERS**

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday, the 21<sup>st</sup> Day of September, 2011 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur - 440 001 (Maharashtra) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon;
2. To Declare dividend on Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2011;
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

**“RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act 1956; M/s B. Chhawchharia & Co, Chartered Accountants, Nagpur the retiring statutory Auditors, be and hereby re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration as decided by the Board of Directors of the Company.”

4. To appoint a Director in place of Shri Rajkumar Lohia, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Vinod Kumar Bajaj, who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS :**

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as Special Resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) the managerial remuneration appended to the notice in absence of adequate profits or no profit in any financial year to paid/ payable for a succeeding three Financial Year commencing from 2011 - 2012 to Shri Rohit Bajaj, during the currency of his tenure as a Managing Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956 be and is hereby approved.

**RESOLVED FURTHER THAT** the remuneration paid to Shri Rohit Bajaj, Managing Director of the Company for the Financial Year 2010 – 2011 which was Rs 20,85,600 /- (Rupees Twenty Lacs Eighty Five Thousand and Six Hundred only) as per Schedule XIII of the Companies Act, 1956 in the absence of adequate profit for the Financial Year 2010 -2011 be and hereby approved and confirmed.

**RESOLVED FURTHER THAT** Shri Sunil Bajaj, Executive Director or Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard."

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as Special Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) the managerial remuneration appended to the notice in absence of adequate profits or no profit in any financial year to paid/ payable for a succeeding three Financial Year commencing from 2011 - 2012 to Shri Sunil Bajaj, during the currency of his tenure as a Executive Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956 be and is hereby approved.

**RESOLVED FURTHER THAT** the remuneration paid to Shri Sunil Bajaj, Executive Director of the Company for the Financial Year 2010 – 2011 which was Rs 20,85,600/- (Rupees Twenty Lacs Eighty Five Thousand and Six Hundred only) as per Schedule XIII of the Companies Act, 1956 in the absence of adequate profit for the Financial Year 2010 -2011 be and hereby approved and confirmed.

**RESOLVED FURTHER THAT** Shri Rohit Bajaj, Managing Director or Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard ."

**Registered office:**  
**Imambada Road,**  
**Nagpur - 440 018**

**By order of the Board**

**Jagdish Shirke**  
**Company Secretary**

**Dated : 09.08.2011**

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### **NOTES**

- (a) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set under Item No. 6 & 7 is appended below.
- (b) 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.



- 
- (c) The Register of Members of the Company will remain closed from 3<sup>rd</sup> September, 2011 to 21<sup>st</sup> September, 2011 (both days inclusive).

Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31<sup>st</sup> March, 2011, when declared at Annual General Meeting, will be paid to the members whose names appear :

- i. as Beneficial Owners as per List to be furnished by the Depositories in respect of the Shares held in Demat Form as of the Book Closure Date.
- ii. as Members on the Register of Members of the Company as on 21<sup>st</sup> September, 2011 after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent upto end of the Business hours on the 02<sup>nd</sup> September, 2011

- (d) Members are requested to :

- (I) Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend Mandates etc.,
- (ii) Quote their Folio Number in all their correspondence.

- (e) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent these folios to enable the R & T Agent to consolidate all share holdings into one folio.

- (f) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s Adroit Corporate Services Private Limited, Mumbai for share transfer process.

- (g) Dematerialisation of Shares :

This is to inform that 53.46% of the total equity shares have already been dematerialized as of 31<sup>st</sup> March, 2011. Shareholders who have not dematerialized their shares are requested to get the same demated.

- (h) Registrar and Share Transfer Agent :

M/s Adroit Corporate Services Private Limited, 1st Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400 059 is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate / ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at above mentioned address only

(i) Change of Information/ Bank Mandate :

The members/ shareholders holding shares in physical form are requested to notify/ update any change in their address, Bank Mandate e.g. Name of bank, account number, branch address and ECS number to Registrar and Share Transfer Agent and/ or the Company or to their respective Depository Participants (DP), if the shares are held in electronic form.

**IMPORTANT COMMUNICATION TO MEMBER**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and had issued circulars stating that service of notice/ documents including Annual Report can be sent by e.mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail address to the Company's Registrar and Share Transfer Agent- Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400059.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO : 6 & 7**

Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director was re-appointed for a further period of 5 (five) years with effect from 1<sup>st</sup> July, 2009 onwards on the following terms and conditions in line with Schedule XIII to the Companies Act, 1956 as detailed hereunder which are applicable to each of them.

- A) Salary : In the pay scale of Rs.1,50,000 - Rs.8,000 – Rs.1,90,000 per month.
- B) Commission : 1% per annum of the net profits of the Company.
- C) Perquisites : Perquisites shall be allowed, in addition to salary and commission, Perquisites shall be restricted to an amount equal to the annual Salary or Rs. 9,00,000/- per annum, whichever is less.  
Perquisites are classified as under:

### **Category – A**

- i) Housing : As per Policy of the Company
- ii) Medical reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of Two month's salary in a year or Six month's salary over a period of three years.
- iii) Leave travel concession : Leave Travel Concession for self and family once in a year.
- iv) Club fees : Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
- v) Personal Accident Policy : Annual Premium of Personal Accident Insurance shall not exceed Rs. 20,000/-.
- vi) Other terms : As per Draft Agreement attached herewith.

Note: For the purpose of perquisites stated in Part -B above "family" means the spouse, the dependents children and dependents parents of the appointee.

### **Category – B**

- vi) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- vii) Gratuity payable shall not exceed half a month's salary for each completed year of service.

### **Category –C**

- viii) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of services. Encasement of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- ix) Provision of car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal Long distance calls on telephone and use of car for private purpose shall be billed by the Company.

### **Minimum Remuneration :**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of services of the above mentioned Directors, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed Under Section II of Part II of Schedule XIII of the Companies Act 1956, including any statutory modifications or re-enactment thereof as may be for the time being, in force.



During the Financial year 2010 - 2011 the Company has inadequate profits to provide remuneration to managerial persons out of the maximum limit as per Sub - Clause (A) Section II of Part II of Schedule XIII of the Companies Act, 1956 which shall be Rupees 21.00 Lacs (Rupees Twenty one Lacs only) per managerial person. The Company has calculated and paid the remuneration within the aforesaid limits for the Financial Year 2010- 2011 which was duly approved and confirmed by the Remuneration Committee of the Board of Directors vide their meeting held on 11<sup>th</sup> May, 2011. However, in view of payment of remuneration as per terms of agreement, the shareholder approval by way of Special Resolution under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is required. The said payment of remuneration by way of Special Resolution shall be for a period of three years commencing from Financial Year 2011-12 which includes necessary increments in the remuneration of Managerial Persons as per terms of appointment.

Shri Rohit Bajaj and Shri Sunil Bajaj are interested in passing of the resolution in as much as it concern payment of remuneration to each of them as well as being relative of each other. Shri Hargovind Bajaj being relative of Shri Rohit Bajaj and Shri Sunil Bajaj may therefore, be deemed to be interested in passing of the resolution to that extent.

Save as aforesaid, none of the other Directors of the Company in any way concerned or interested in the said resolution.

**STATEMENT CONTAINING REQUIRED INFORMATION AS PER CATEGORY B OF PART II OF SECTION II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 FOR THE ITEM NO 1 & 2 :**

**I. GENERAL INFORMATION :**

**Nature of Industry :**

The Company is engaged in manufacturing of Cotton Ginning and Pressing Machinery and allied equipments, accessories and spare parts.

**Date of Commencement of Commercial Production :**

Bajaj Steel Industries Limited was incorporated as a Private Limited Company on 14<sup>th</sup> February, 1961, and subsequently it was converted into Public Limited Company on 7<sup>th</sup> October, 1985.

The Company is engaged in the following lines of activities:

- Manufacturing of Ginning ,Pressing and allied machineries since 1961
- Manufacturing of Plastic Polymer Granules- Masterbatches from 26.03.1987

Financial Performance Based on Given Indicators :

(Rs in Lacs)

Particulars	2010-11	2009- 10	2008- 09
Gross Turnover	22368.30	22822.40	26166.13
Profit Before tax	258.87	1525.74	2334.03
Profit After Tax	45.76	1024.43	1511.49
Dividend (20% )	47.00	44.00	44.00

**Export Performance and Net Foreign Exchange Collaborations:**

FOB Value of the Company's Export during the year 2010 – 2011 is Rs 1216.84 Lacs.

**Foreign Investments or Collaborators, if any;**

The current foreign holding in the Share Capital of the Company is as under :

Foreign Holding	Number of Shares	Percentage Holding
Foreign Institutional Investor	23986	1.02
<b>Total</b>	<b>23986</b>	<b>1.02</b>

The Company had entered technical collaborations to manufacture the Cotton Processing Machines with following Companies :

Sr. No	Name of Machines	Name of Collaborators
1	Continental Products	Continental Eagle Corporation, USA
2	Humidification System	Samuel Jackson Inc. of USA

These collaborations have enabled the company to expand its goodwill and to tap new areas of business.

**II. INFORMATION ABOUT THE APPOINTEE :**

**(A) Shri Rohit Bajaj**

**Background Details**

Shri Rohit Bajaj holds Bachelor Degree in Arts and having Vast Experience of more than 30 years. During his tenure as a Managing Director the Company had made many improvements in its product line .i.e. Ginning Machines, Master Batches etc. He is holding 55,325 Equity Shares comprising of 2.35 % of the paid up Capital of the Company.