



**BAJAJ STEEL  
INDUSTRIES LTD.**

# 52 ANNUAL REPORT 2012-13







**BAJAJ STEEL  
INDUSTRIES LTD.**



# BAJAJ STEEL INDUSTRIES LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1. Shri Rohit Bajaj	-	Chairman & Managing Director
2. Shri Sunil Bajaj	-	Executive Director
3. Shri Vinod Kumar Bajaj	-	Non-Executive Director - Promoter Category
4. Shri Kamal Kishore Kela	-	Independent Director
5. Shri Mohan Agrawal	-	Independent Director
6. Shri Alok Goenka	-	Independent Director
7. Shri Rajkumar Lohia	-	Independent Director
8. Shri Rajiv Ranka	-	Independent Director
9. Shri Deepak Batra	-	Independent Director

### BOARD COMMITTEES

#### Audit Committee

● Shri Deepak Batra	-	Chairman
● Shri Rajiv Ranka	-	Member
● Shri Alok Goenka	-	Member

#### Remuneration Committee

● Shri Deepak Batra	-	Chairman
● Shri Rajiv Ranka	-	Member
● Shri Alok Goenka	-	Member

#### Shareholders' Grievance Committee

● Shri Deepak Batra	-	Chairman
● Shri Rajiv Ranka	-	Member
● Shri Alok Goenka	-	Member
● Shri Rohit Bajaj	-	Member
● Shri Sunil Bajaj	-	Member

#### Company Secretary

● Shri Jagdish Shirke
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#### CHIEF FINANCIAL OFFICER

● Shri Manish Sharma
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#### REGISTERED OFFICE

Imambada Road, Nagpur - 440018 (M.S)

### BANKERS & FINANCIAL INSTITUTIONS

- Axis Bank Limited, Nagpur
- SICOM Limited, Mumbai
- State Bank of India, Nagpur

### SHARE TRANSFER AGENT

Adroit Corporate Services (P) Ltd.  
1st Floor, 19/20 Jaferbhoy Industrial Estate  
Makwana Road, Marol Naka, Mumbai- 400059  
Tel : (022) 2859 0942/4442/4428/4060  
E.mail : adroits@vsnl.net

### STATUTORY AUDITORS

M/s B. Chhawchharia & Co.  
602, Govind Estates  
Plot No. 172, Shivaji Nagar, Nagpur (M.S)

### MANUFACTURING FACILITIES

- Imambada Road, Nagpur - 440018(MS)
- Plot No. C-108, MIDC Hingna, Nagpur (MS)
- Plot No. G-6 & G-7 MIDC Hingna, Nagpur (MS)



# BAJAJ STEEL INDUSTRIES LIMITED

## **NOTICE TO MEMBERS**

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday, the 25th Day of September, 2013 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 31st March, 2013 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 as on 31st March, 2013;
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 Mohan Agrawal who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Alok Goenka who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS :**

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

### **SPECIAL RESOLUTION :**

6. **RE-APPOINTMENT OF SHRI ASHISH BAJAJ AS CHIEF EXECUTIVE OFFICER (CEO) OF SUPERPACK DIVISION OF THE COMPANY UNDER SECTION 314 OF THE COMPANIES ACT, 1956 :**

"RESOLVED THAT pursuant to section 314 (1B) read with Director's Relative (Office or Place of Profit), Rules, 2011 and other applicable provisions of the Companies Act, 1956 and subject to the consent of shareholders and such other approval as may be required, Shri Ashish Bajaj S/o Shri Vinod Kumar Bajaj, be and is hereby re-appointed as Chief Executive Officer (CEO) of Superpack Division, A Division of Bajaj Steel Industries Limited, for the further period of One year w.e.f. 20.03.2013 on Monthly Remunerations appended to the notice.

**RESOLVED FURTHER THAT** the Monthly Remuneration, at any time hereinafter shall not exceed the Limits as prescribed in Rule 3 of the Director's Relative (Office or Place of Profit) Rules, 2011 which is Rs 2,50,000/- per month or Rs 30,00,000/- per annum including any revision /alteration thereof as the case may be and at any time the monthly remuneration exceeds the limit prescribed in Rule 3, the prior consent of the shareholders through Special Resolution and approval of the Central Government shall be required to be taken before making any such increased payment.



**RESOLVED FURTHER THAT** Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities.

**RESOLVED FURTHER THAT** Shri Ashish Bajaj, Chief Executive Officer (CEO) of the Superpack Division shall have the general powers and authorities for operation of Superpack Division.

**RESOLVED FURTHER THAT** Shri Rohit Bajaj, Managing Director or Shri Sunil Bajaj, Executive Director of the Company be and are hereby authorized to file e-form 1AA to the Ministry of Corporate Affairs(MCA) pursuant to Section 5 of the Companies Act, 1956 in terms of re-appointment of Shri Ashish Bajaj as a Chief Executive Officer (CEO) of the Superpack Division of the Company.

**RESOLVED FURTHER THAT** any one of the following Directors/Officials of the Company be and are hereby authorized to submit all necessary papers documents, application, etc and comply with the formalities in respect of appointment of Shri Ashish Bajaj.

- |                        |   |                    |
|------------------------|---|--------------------|
| 1. Shri Rohit Bajaj    | - | Managing Director  |
| 2. Shri Sunil Bajaj    | - | Executive Director |
| 3. Shri Jagdish Shirke | - | Company Secretary  |

**Registered office:**

Imambada Road,  
Nagpur - 440 018  
Dated : 10.08.2013

By order of the Board

Jagdish Shirke  
Company Secretary



## BAJAJ STEEL INDUSTRIES LIMITED

### NOTES

- (a) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set under Item No.6. 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 02nd September, 2013 to 25th, September, 2013 (both days inclusive).

Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2013, 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 25th September, 2013 after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent Up to end of the Business hours on the 31st August, 2013.
- (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 73.00% of the total equity shares have already been dematerialized as of 31st March, 2013. 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 compliance's 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 there 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. 06 :**

The Company had decided to sale / disposal of entire assets and liabilities of Superpack Division and has duly taken consent / approval of the shareholders vide postal ballot dated 10.07.2009.

Shri Ashish Bajaj was the Whole Time Director (WTD) of the Company for Superpack division and his term of office as WTD has been expired on 29.10.2009. Subsequently the Company has requested him to look after Superpack Division till its final disposal / sale of the same.

In this context, Shri Ashish Bajaj was appointed as the Chief Executive Officer (CEO) of the SUPERPACK Division of the Company for Two (2) years 20.03.2010 and was further re-appointed period of One (1) year w.e.f. 20.03.2012, in compliance with Section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit), Rules, 2011 which was duly approved by the shareholders/members of the Company

Looking at his background and valuable experience the Board of Directors vide circular resolution further re-appointed Shri Ashish Bajaj for further period of One (1) year w.e.f. 20.03.2013, in compliance with Section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit), Rules, 2011 subject to the approval of members /shareholders at the ensuing annual general meeting of the Company. The details of the monthly remuneration are as under :

**Monthly Remuneration:**

Basic Salary	:	₹ 1,55,000/-
Bonus	:	As per policy of Superpack Division.
Provident Fund	:	As per policy of Superpack Division.
Perquisites	:	
▣ House Accommodation	:	15% of Salary (including bonus). ₹ 15,000/- per month towards Furniture Hire Charges.
▣ Medical	:	Reimbursement of expenses incurred for self & family subject to ceiling of Two (2) months salary in a year.



## BAJAJ STEEL INDUSTRIES LIMITED

- ▣ Leave Travel Concession : Leave Travel concession for self and family.
- ▣ Club Fees : Fees of club subject to maximum of two clubs
- ▣ Personal Insurance : Annual premium of Personal Accident insurance shall not exceed ₹ 20,000/- .

Total Perquisites in addition to salary restricted to amount equal to amount salary or ₹ 9,00,000/- per annum.

The total Remuneration including monetary benefits of all perquisites/facilities mentioned above shall not exceed ₹ 2,50,000/- per month or ₹ 30,00,000/- per annum. At any time, in case of remuneration more than ₹ 2,50,000/- per month during the tenure , the prior consent of the Shareholders through Special Resolution and approval of the Central Government shall be required to be taken before making any payment.

Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliance including Statutory & Labour compliance applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities. The necessary reform 1AA has been filed by the Company to the Ministry of Corporate Affairs (MCA) in compliance to Section 5(g) of the Companies Act, 1956.

The Directors recommend the resolution for approval of the members of the Company. Shri Vinod Kumar Bajaj being relative of Shri Ashish 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 are in any way concerned or interested in the aforesaid resolution.



## REPORT OF THE DIRECTORS

The Directors of the Company are please to present their Fifty Second Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2013.

The Highlights of the Financial performance for the year under review are as below :

<b>FINANCIAL RESULTS :</b>		<b>(In ₹)</b>
	<u><b>31.03.2013</b></u>	<u><b>31.03.2012</b></u>
<b>SALES AND OTHER INCOME</b>	<u><b>2, 88,59,81,619</b></u>	<u><b>3,16,45,25,756</b></u>
Profit before Interest & Depreciation	<b>17,89,69,137</b>	<b>24,05,64,249</b>
Less : Interest	6,61,28,559	6,92,73,631
Depreciation	<u>5,91,77,574</u>	<u>6,54,58,923</u>
	<b>5,36,63,004</b>	<b>10,58,31,695</b>
Add : Extra Ordinary Item		
Profit before Tax	(-)	(-)
	<u><b>5,36,63,004</b></u>	<u><b>10,58,31,695</b></u>
<b>Provision for Taxation :</b>		
Current Year : 1,69,19,866	4,16,06,000	
Deferred Tax : (58,61,000)	(72,88,000)	
Tax for Earlier : -----	-----	
year/Adjustment -----	<u><b>1,10,58,866</b></u>	<u><b>3,43,18,000</b></u>
<b>Net Profit</b>	<u><b>4,26,04,138</b></u>	<u><b>7,15,13,695</b></u>
Add : Balance Brought Forward from previous year	1,83,33,332	2,50,13,323
	<u><b>6,09,37,470</b></u>	<u><b>9,65,27,018</b></u>
<b>Less : Appropriations :</b>		
Proposed Dividend	70,50,000	70,50,000
Corporate Dividend Tax	11,43,686	11,43,686
Transfer to General Reserve	3,50,00,000	7,00,00,000
<b>Balance Carried Forward to Balance Sheet</b>	<u><b>1,77,43,784</b></u>	<u><b>1,83,33,332</b></u>
	<u><u><b>6,09,37,470</b></u></u>	<u><u><b>9,65,27,018</b></u></u>