

Report  Junction.com



BAJAJ STEEL INDUSTRIES LIMITED
40th Annual Report 2000-2001

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

Bajaj Gram, Post - Savli, Sausar - 480 106
Distt. - Chhindawara (M.P.)

BAJAJ STEEL INDUSTRIES LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Saturday, the 29th day of September, 2001 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, 2001 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Lalchand Mutha, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Prakash Maheshwari, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

Imambada Road,
Nagpur - 440 018

By order of the Board

Anand Daga
Company Secretary

Dated : 27th July, 2001

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 from 25th September to 29th September, 2001 (both days inclusive).
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.
5. All unclaimed dividends upto the financial year 1994-95 have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from The Registrar of Companies, Hakoba Compound, 2nd floor, Dattaram Lad Marg, Chinchpokli (East), Kala Chowki, Mumbai - 400 033.



REPORTS OF THE DIRECTORS

The Directors present their Fortieth Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2001 :

FINANCIAL RESULTS

		Rupees
SALES AND OTHER INCOME		498,905,585
Gross Profit / (Loss)		4,328,582
Less : Interest	25,446,147	
: Depreciation	19,056,196	44,502,343
Net Profit / (Loss)		(40,173,761)
Add : Balance Brought Forward		394,546
: Transferred from General Reserve		43,000,000
		3,220,785
Less : Appropriations		
: Provision for Devaluation of Investment	1,735,000	
: Provision for Doubtful Debts	1,389,000	3,124,000
Balance Carried Forward		96,785

DIVIDEND

Due to loss incurred by the Company, the Directors regret their inability to recommend any Dividend for the year.

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 affected to a great extent on account of workers strike due to which 108 day's production was lost, resulting into substantial loss to the Company.

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. 128.03 millions against Rs. 78.81 millions for the corresponding period of the previous year.

AUDITORS REPORT

As regards observations in Para 4 of Auditors Report i.e. Note No. 23(v) of Schedule 14 regarding valuation of inventories, the Directors state that consistent method of accounting is adopted i.e. the Semi - finished inventories are valued at Cost and the finished goods are valued at Market Price or at Cost, whichever is lower. Regarding Para 6 of the Auditor's Report, the Directors state that Note No. 7 of Schedule 14 is self-explanatory.

PUBLIC DEPOSITS :

Out of the public deposits aggregating to Rs. 21,647,000/- as on 31st March, 2001, sixteen deposits amounting to Rs. 395,000/- though matured before 31st March, 2001 were not claimed by the depositors. Of these Three deposits amounting to Rs. 7,000/- 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. Therefore, 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

Production Departments of the Company are 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 outgo on account of imports, expenditure on Travelling, Dividend, etc. and foreign exchange earnings are shown in the Notes No. 15, 16 and 18 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, 2001 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

Shri Lalchand Mutha and Shri Prakash Maheshwari, retire by rotation and being eligible offer themselves for reappointment.

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 reappointment.

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 : 27th July, 2001

~~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, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

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 *subject to Note No. 23 (v) of Schedule 14 regarding valuation of inventories* comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
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, 2001 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956, and
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, 2001; and
 - b) in the case of the Profit and Loss Account, of the Loss 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 on the same basis as in the preceding years.
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.
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.

BAJAJ STEEL INDUSTRIES LIMITED

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, 2001 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 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 : 27th July, 2001

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