

**CERTIFIED TRUE COPY**

**FOR BAJAJ STEEL INDUSTRIES LIMITED**

  
**ANAND C. DAGA**  
**COMPANY SECRETARY**

Report  Junction.com



**BAJAJ STEEL INDUSTRIES LIMITED**

**42nd Annual Report 2002-2003**

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

## BAJAJ STEEL INDUSTRIES LIMITED

### NOTICE TO MEMBERS

**NOTICE** is hereby given that the Forty-Second Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Tuesday, the 30<sup>th</sup> day of September, 2003 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, 2003 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 Mohan Agrawal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kamal Kishore Kela, 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

**By order of the Board**

Anand Daga  
Company Secretary

Dated : 14th August, 2003

### 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 30th September, 2003.
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-Second Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2003 :

### FINANCIAL RESULTS

		<b>31.03.2003</b>	<b>31.03.2002</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>SALES AND OTHER INCOME</b>		<b>778,701,264</b>	<b>686,312,333</b>
Gross Profit		<b>49,293,594</b>	<b>47,783,845</b>
Less : Interest	<b>25,450,497</b>		<b>27,660,981</b>
: Depreciation	<b>17,026,210</b>		<b>17,194,968</b>
		<b>42,476,707</b>	<b>44,855,949</b>
<b>Net Profit / (Loss)</b>		<b>6,816,887</b>	<b>2,927,896</b>
Add : Balance Brought Forward		<b>1,805,560</b>	<b>96,785</b>
Previous Period Adjustments		<b>15,000</b>	<b>( 522,416)</b>
		<b>8,637,447</b>	<b>2,502,265</b>
Less : Appropriations			
Provision for Doubtful Debts		<b>-</b>	<b>696,705</b>
Balance Carried Forward		<b>8,637,447</b>	<b>1,805,560</b>

### 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

In the present recessionary trend in Industries, the Company was able to achieve its target to some extent. The working of Steel Division was not satisfactory due to competition faced by it from the unorganised sector. The working of the Plastic Division was not very satisfactory and the margins remained under pressure.

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. 174.19 millions against Rs. 134.43 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. 21,477,000/- as on 31st March, 2003, Two deposits amounting to Rs. 8,000/- though matured before 31st March, 2003 were not claimed by the depositors, of these One deposit amounting to Rs. 3,000/- is 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. 17, 14 and 15 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. Moreover, annual listing fees of the Stock Exchange for the financial year 2003-2004 has been paid by the Company.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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, 2003 and the Profit and Loss Account of the Company for the period.
- 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.
- The annual accounts have been prepared on a going concern basis.

**DIRECTORS**

Shri Mohan Agrawal and Shri Kamal Kishore Kela, 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.

For and on behalf of the Board

Nagpur  
Dated : 14th August, 2003

Hargovind Bajaj  
Chairman



## AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Bajaj Steel Industries Limited as at 31st March, 2003 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
4. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report complies with the mandatory Accounting standards referred in Section 211 (3C) of the Companies Act, 1956.
5. On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2003 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 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 as 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, 2003; and
  - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - c) in the case of Cash Flow Statements of the Cash Flows 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 material discrepancies have been noticed on such 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, 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 year.
7. The Company has taken unsecured loans from companies, firms and / or other parties listed in the register maintained under Section 301 and 370 (1-C) of the Companies Act, 1956. The rate of interest and other terms and conditions regarding such loans are not, in our opinion, prima facie, prejudicial to the interest of the Company.

8. The Company has granted unsecured loans to companies, firms and / or other parties listed in the registers maintained under Section 301 and 370 (1-C) of the Companies Act, 1956. The rate of interest and other terms and conditions regarding such loans are not, in our opinion, 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 period 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 the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, the 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 as per 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-product 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 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 during the year under review.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited by the Company with the 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, 2003 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 : 14th August, 2003

For K. C. Agrawal & Co.  
Chartered Accountants

K. C. Agrawal  
Proprietor

**BALANCE SHEET AS AT 31ST MARCH, 2003**

	Schedule		31.03.2003 Rs.	31.03.2002 Rs.
<b>SOURCES OF FUNDS</b>				
<b>1. Shareholder's Funds :</b>				
a) Share Capital	1	22,000,000		22,000,000
b) Reserves & Surplus	2	53,927,693		47,095,806
			75,927,693	69,095,806
<b>2. Loan Funds :</b>				
a) Secured Loans	3	100,320,599		108,036,234
b) Unsecured Loans	4	71,341,533		86,666,518
			171,662,132	194,702,752
			247,589,825	263,798,558
<b>APPLICATION OF FUNDS</b>				
<b>3. Fixed Assets :</b>	5			
a) Gross Block		332,211,748		317,739,177
b) Less : Depreciation		240,919,151		224,291,483
c) Net Block		91,292,597		93,447,694
d) Add : Capital Work-in Progress		298,031		72,111
			91,590,628	93,519,805
<b>4. Investments</b>	*6		3,612,330	4,379,179
<b>5. Current Assets, Loans and Advances :</b>	7			
a) Inventories		122,664,361		109,328,952
b) Sundry Debtors		71,591,300		71,839,623
c) Cash and Bank Balances		28,677,856		21,821,721
d) Loans and Advances		25,737,890		37,811,864
		246,671,407		240,802,160
<b>Less :</b>				
<b>6. Current Liabilities and Provisions :</b>	8			
a) Current Liabilities		87,733,589		68,869,987
b) Provisions		6,550,951		6,032,599
		94,284,540		74,902,586
<b>Net Current Assets</b>			152,386,867	165,899,574
			247,589,825	263,798,558
<b>NOTES ON ACCOUNTS</b>	14			

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

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

Ashish Bajaj  
Whole-time  
Director

Sunil Bajaj  
Executive  
Director

H. G. Bajaj  
V. K. Bajaj  
L. C. Mutha  
K. K. Kela  
Mohan Agrawal  
DIRECTORS

Nagpur  
Dated : 14th August, 2003

Anand Daga  
Company Secretary