



BAJAJ STEEL INDUSTRIES LIMITED
49th Annual Report 2009-2010

BAJAJ STEEL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Directors	Shri Vinodkumar Bajaj Shri Lalchand Mutha Smt. Ramadevi Ruia (upto 29.07.2010) Shri Kamal Kishore Kela Shri Mohan Agrawal Shri Alok Goenka Shri Raj Kumar Lohia Shri Rajiv Ranka Shri Deepak Batra
Company Secretary	Shri Jagdish Shirke
Chief Financial Officer	Shri Manoj Dhoot
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 Private Limited 1 st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai - 400059 Tel : (022) 2859 0942/4442/4428/4060 E.mail: adroits@vsni.net
Registered Office	Imambada Road NAGPUR - 440 018 email: cs@bajajngp.com
Works	Imambada Road Nagpur - 440 018 Plot No. C-108 Hingna MIDC Area, G-108, Butibori, MIDC Area, Nagpur (Maharashtra)

BAJAJ STEEL INDUSTRIES LIMITED
NOTICE TO MEMBERS

NOTICE is hereby given that the Forty – Ninth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday the 1st day of September 2010 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, 2010 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 31st March, 2010
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolution:
"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 Alok Goenka, who retires by rotation, and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Shri Rajiv Ranka, who who retires by rotation, and being eligible, offers himself for re-appointment

SPECIAL BUSINESS :

6. "RESOLVED THAT Shri Deepak Batra, who was appointed as an additional Director be and is hereby appointed as an Independent Director of the Company."
7. REPLACING THE ARTICLE 99 - RELATING TO QUALIFICATION SHARES OF DIRECTOR IN THE ARTICLES OF ASSOCIATION OF THE COMPANY :
"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and other provisions, if any as may be applicable, the Existing Article 99 relating to Qualification Shares of Directors in the Articles of Association of the Company be and hereby deleted and substituted by the following Article:
"Article 99 : There shall not be any qualification share necessary for qualification of any Director in the Company."
FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do such other acts, deeds, things as may be necessary for giving effect to the said resolution."

Registered office:
Imambada Road,
Nagpur - 440 018

Dated : 29.07.2010

By order of the Board

Jagdish Shirke
Company Secretary



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 14th August, 2010 to 1st September, 2010 (both days inclusive)
Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2010, 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 1st September, 2010 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 13th August, 2010.
- (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) Dematerialisation of Shares :
This is to inform that 55.95% of the total equity shares have already been dematerialized as of 31st March, 2010. Shareholders who have not dematerialized their shares may opt the same accordingly.
- (g) 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 the above mentioned address only.
- (h) 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.

BAJAJ STEEL INDUSTRIES LIMITED

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

ITEM NO. 6

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/CFD/DIL/CG/1/2008/08/04 dated 8th April, 2008 has amended the Clause 49 of the Listing Agreement. In view of applicability of Clause 49 to the Company during the year 2009 -10 due to increase in limit of Net Worth of the Company more than Rs 25 crores, the Company is required to have 50% composition of Board consist of independent Directors

In view of above, Shri Deepak Batra was appointed as an Additional Director of the Company on 3rd March, 2010 and further reappointed on 11th May, 2010. In terms of Section 260 of the Companies Act, 1956, the term of Shri Deepak Batra as an Additional Director of the Company expires at the ensuing 49th Annual General Meeting and eligible for re-appointment.

Therefore, the Directors of the Company recommended the above resolution for the approval of the Members. The Company has received a valid notice and requisite deposit from a member of the Company Under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Deepak Batra for the office of the Director. Shri Deepak Batra is interested in the said resolution as it relates to his appointment.

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

ITEM NO. 7

The Directors desire that the requirement of qualification share for holding the post of Directors is unnecessary and each time, even for appointment of Independent Professional Directors, the existing Article bind for holding of qualification shares. The Company desires to avoid unwanted compliances for having qualification shares.

In view of above, your Directors are proposed the resolution for deletion and substitution of Article 99 of the Article of Association.

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



REPORT OF THE DIRECTORS

The Directors presents their Forty-Ninth Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2010:

FINANCIAL RESULTS :	RUPEES	
	31.03.2010	31.03.2009
SALES AND OTHER INCOME	2,282,240,338	2,616,613,376
Profit before Interest & Depreciation	259,966,140	321,271,215
Less : Interest	55,999,830	44,729,064
Depreciation	51,392,407	43,138,545
	152,573,903	233,403,606
Add : Extra Ordinary Item	(-)	(-)
Profit before Tax	152,573,903	233,403,606
Provision for Taxation	50,131,000	82,225,500
Net Profit	102,442,903	151,148,606
Add : Balance Brought Forward from previous year	18,586,973	12,586,147
	121,029,876	163,734,753
Less : Appropriations :		
Proposed Dividend	4,400,000	4,400,000
Corporate Dividend Tax	730,785	747,780
Transfer to General Reserve	80,000,000	140,000,000
Balance Carried Forward to Balance Sheet	35,899,091	18,586,973
	121,029,876	163,734,753

DIVIDEND :

Your Directors are pleased to recommend a Equity Dividend of Rs. 2.00/- per share. The Dividend as recommended would involve an outflow of Rs. 44.00 Lacs towards Dividend and Rs. 7.31 Lacs towards corporate dividend tax, resulting in a total outflow of Rs. 51.31 Lacs. The dividend will be distributed to the members whose names appears on the register of members as on record date.

WORKING & FUTURE PROSPECTS :

The Company's performance was effected due to a very long dry spell in the country. During the year under review, the turnover of the Company has been gradually decreased from Rs. 261.66 crores in the year 2008-09 to Rs. 228.22 crores in the year 2009-10 representing a fall of 12.78%. The profitability of the Company has also been affected as the profit of the Company has decreased from Rs. 15.11 crores for the year 2008-09 to Rs.10.24 crores in 2009-10. The Board of Directors are trying their best to improve the performance of the Company. The working of both the division of the Company is given below:

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● STEEL DIVISION:

The steel division is concentrating in its core business of manufacturing Cotton ginning and Pressing machines which has a great potential to expand, considering the increasing cotton cultivation in India & abroad. The company is also exploring addition of Newer machines and developing new technologies in coming days.

● PLASTIC DIVISION (SUPERPACK) :

The Sale / Disposal of Superpack Division has been approved by the Shareholders of the company on 10th July, 2009 and authorised the Board of Directors to dispose off the Division at such price as it may deem fit.

Pursuant to the approval, the sale / disposal of the Superpack Division is under process and expected to complete during the current financial year.

PREFERENTIAL ALLOTMENT :

The Company is in the process of expanding its business activities by way of expansion plans. In view of the need of Long term working capital to cater the need of the consistent expansion plans undertaken by the Company, the company has issued and allotted 3,00,000 Lacs Share Warrants on 11th May, 2010 to meet the funds requirement. The Company has passed the special resolution Under Section 81(1A) of the Companies Act, 1956 and pursuant to SEBI Regulations vide Extra-ordinary general Meeting held on 30th April, 2010. The Company has received 25% application money towards share warrants amounting to Rs 1.98 Crores. The aforesaid share warrants will be convertible into equity share on exercise of conversion option by the allottees within the period of 18 months from the date of allotment and balance payment thereof.

RATING AGAINST THE BANKING FACILITIES :

Your Directors are glad to inform you that the Company has been rated with A+(Adequate safety- stable) by CRISIL in respect of Bank borrowings.

AUDITORS' REPORT :

The observations made by the auditors read together with the relevant notes thereon, are self - explanatory.

PUBLIC DEPOSITS :

The total public deposits as on 31st March, 2010 amounted to Rs 10,882,000/-. Two deposits amounting to Rs. 15,000/- though matured before 31st March, 2010 were not claimed by the depositors. As on date all the two unclaimed deposits have been paid. On or after 15th September, 2009 the Company has decided not to accept public deposits unless otherwise further decided by the Company.

INDUSTRIAL RELATIONS :

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.

DIRECTORS :

Shri Alok Goenka and Shri Rajiv Ranka retires by rotation and being eligible offers themselves for re-appointment.

Shri Ashish Bajaj was the whole Time Director (WTD) of the company for Superpack division and his term of office as WTD expired on 29.10.2009. Subsequently company has requested him to look after Superpack Division till its final disposal / sale of the same. Thereafter, Shri Ashish Bajaj was appointed as a Chief Executive Officer (CEO) of Superpack Division, for the period of two years w.e.f. 20.03.2010 which was recommended by the Selection Committee to the Board subject to the approval of Shareholders of the Company and Central Government. The Company obtained the approval of the Shareholders with requisite



majority through postal ballot process as declared by the Scrutinizer in his report on 1st April, 2010. The company has filed the requisite forms for taking Central Government approval and the same is awaited. During the year, Shri Deepak Batra was appointed as an Additional Director (Independent-Non executive) of the Company on 3rd March, 2010 and further reappointed on 11th May, 2010. In terms of Section 260 of the Companies Act, 1956, the term of Shri Deepak Batra as an Additional Director of the Company expires at the ensuing Annual General Meeting. The resolution for his appointment as an Independent Directors have been included in the notice for approval of the members. Further, Smt Ramadevi Ruia has resigned from the Board of Directors of the Company with effect from 29.07.2010. She has resigned due to the old age and health problems. The Board has accepted her resignation and relieved her at its Board Meeting held on 29.07.2010. The Board of Directors extends their sincere appreciation to Smt Ramadevi Ruia for her contribution to the Company. The Board of Directors also wish for her good health and long life.

CORPORATE GOVERNANCE REPORT :

Your Directors are pleased to report that the Clause-49(Corporate Governance) is applicable to the Company during the year 2009 -2010 in view of net worth of the Company crossed the limit of Rs 25 crores. Accordingly, the Company had taken steps for appointment of Independent Directors on the Board of the Company and also constituted the Audit Committee, Remuneration Committee and Investor Grievance/Share Transfer Committee.

A certificate from the Statutory Auditors- M/s B.Chhawchharia & Co, Chartered Accountants, Nagpur; confirming compliance with conditions as stipulated under the aforesaid Clause 49 is annexed to the Report of Corporate Governance.

AUDIT COMMITTEE :

As the Clause 49 (Corporate Governance) is applicable to the Company during the year 2009- 2010, the Company constituted the audit committee of the board under Chairmanship of Shri Deepak Batra, Chartered Accountant consisting of Independent members Shri Rajiv Ranka and Shri Alok Goenka as a practice of good Corporate Governance.

PROJECTS :

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants/Machineries. The facilities are equipped with state of art machines with latest technologies and managed by team of engineers. Moreover, the Company is in the process of expanding its business activities by way of expansion plans. The Company has acquired land admeasuring 38757.50 sq. meters at Plot No. G-108 at Butibori Industrial Area, Nagpur, where the Company is planning to manufacture new machineries like Cotton Seed Delinting Machines/Decorticating Machines, Oil Mill Machineries, Steel Structure Buildings and Electrical Intelligent Panels for increased volume.

PARTICULARS OF EMPLOYEES U/s 217 (2A) :

As per Annexure attached with the Directors Report.

RESEARCH AND DEVELOPMENT :

The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products in the Company's in House Research and Development Centre. At present, the Company is working on various products like Fire Detection System for Cotton Ginning Plant, improved model of Double Roller Cotton Ginning Machine, etc under the able leadership of Shri Sunil Bajaj, Executive Director. Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products like Auto Feeder, Down Packing Cotton Bailing Press, Overhead Distribution Conveyor Raw Cotton Feeding System, etc in the earlier years.

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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 minimize the loss of energy as far as possible.

TECHNOLOGY ABSORPTION

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the Notes No. 13(b), 13(c) and 13(d) 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 Bombay Stock Exchange Ltd, The Delhi Stock Exchange Limited and the Calcutta Stock Exchange Limited. The Company has paid annual listing fees of the Stock Exchange for the financial year 2009-2010. There are no trading of Company's shares at the Delhi Stock Exchange and the Calcutta Stock Exchange. However the company has paid the annual listing fees to The Delhi Stock Exchange and the Calcutta stock exchange.

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, 2010 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.

AUDITORS :

M/s B. Chhawchharia & Co., Chartered Accountants, Nagpur retires 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

PLACE : NAGPUR

Dated : 29.07.2010

**HARGOVIND BAJAJ
CHAIRMAN**



ANNEXURES TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THIS DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED AS ON 31ST MARCH, 2010 :

Name	Age	Qualification	Date of joining	Designation	Remuneration (Per Annum)	Experience	Last Employment	Equity Shares held in the Company
Shri M.K. Sharma	53	M.Com	19.10.1996	President	Rs.47.03 Lacs	More than 20 years	Worked as a Chief Commercial Manager in Pepega Kores Group From 1994 to 1996	100 Equity Shares

Names of employee employed for part of the year and were in receipt of remuneration at a rate of not less than Rs 2 Lacs Per Month in terms of Section 217 (2A) of the Companies Act, 1956.

NIL

NOTES :

1. Experience includes number of years of service elsewhere, wherever applicable;
2. Shri M. K. Sharma is not a relative of any Director of the Company;
3. Further , Shri M. K. Sharma is in full time employment with the Company;
4. The details of aforesaid are available at the Registered Office of the Company for inspection.