



**ANNUAL REPORT
AND
ACCOUNTS
2001 - 2002**



BENGAL STEEL INDUSTRIES LIMITED

Bengal Steel Industries Limited

*55th Annual Report and Accounts for the year
ended 31st March, 2002*

BOARD OF DIRECTORS :

SRI V. N. AGARWAL
SRI PRAKASH AGARWAL
SRI M. P. CHATURVEDI
SRI G. K. AGARWAL
SRI K. K. GANERIWALA
Director & Secretary

AUDITORS :

Messrs : J.N. BANERJEE & CO.
Chartered Accountants

BANKERS :

UCO BANK
UNITED BANK OF INDIA

REGISTERED OFFICE :

41, MIRZA GHALIB STREET,
KOLKATA-700 016

Bengal Steel Industries Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting 55th Annual Report together with Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS :

	2001-2002	2000-2001
Profit Before Interest & Depreciation	3,914,564	4,667,577
Less : Interest	2,382,083	2,668,769
	1,532,481	1,998,808
Less : Depreciation	1,279,623	1,455,069
Net Profit Before Tax	252,858	543,739
Provision for Tax for the year	(2,00,000)	(42,000)
Profit Brought Forward	17,49,768	12,48,029
Net Profit Carried Forward	18,02,626	17,49,768

GENERAL REVIEW :

The performance of the Company during the year was generally satisfactory except the Steel Division which had to be closed down during the year under review from September, 2001 due to labour trouble and continued recession in the steel industry.

DIVIDEND :

Your Directors could not recommend any dividend in view of the inadequate profit.

AUDITORS NOTES:

The Comments of Auditors are suitably explained in the notes on accounts and, therefore, do not call for any further comments or explanations.

EMPLOYEES :

Information as required to be given pursuant to the provisions of section 217(2A) of the Companies Act, 1956 is not applicable.

FIXED DEPOSIT :

The company has not accepted any deposit from public during the year ended 31.03.2002 which attracts the provisions of section 58A of the Companies Act, 1956.

DIRECTORS :

Sri V. N. Agarwal & Sri Prakash Agarwal, Directors, retires by rotation and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :-

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that they were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review,
- (iii) that the Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2002, on a 'going concern' basis.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

There are no information to be reported as required in accordance with the provisions of section '217(1)(e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy & technology absorption.

(a) Total Foreign exchange used	Rs. 5,56,621
(b) Total Foreign exchange earned	NIL

AUDITORS :

The Company's Auditors M/s. J. N. Banerjee & Co., Chartered Accountants, will retire at the forth-coming Annual General Meeting and are eligible for re-appointment.

Kolkata,
Dated : 22nd July, 2002

For and on behalf of the Board
V. N. AGARWAL
PRAKASH AGARWAL
Directors

**AUDITORS REPORT
TO THE MEMBERS OF
Bengal Steel Industries Limited**

We have audited the Balance Sheet of Bengal Steel Industries Limited as at 31st March, 2002 and the Profit and Loss Account for the year ending on that date, together with Schedules annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:-

1. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 said books;
3. The Balance Sheet and Profit & Loss Account dealt with in this report are in agreement with the Books of Account;
4. In our opinion and to the best of our information and explanation given to us, the said accounts together with the Schedules 1 to 15 give the information required by the Companies Act' 1956, in the manner so required and also give, subject to;
 - (i) **Charge of depreciation on the Composite cost of Land & Building, the value of which are not segregated;**
 - (ii) **Non-provision for doubtful debts and advances as indicated in Schedules 7 and 9 respectively,**

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, 2002.
 - (b) In the case of the Profit & Loss Account, of the Profits for the year ended on that date.
5. In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act. 1956, except for:
 - (i) **Non-accounting of claims relating to transport business on accrual basis.**

6. On the basis of written representations recieved from directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
7. As required by Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the company Law Board in terms of Section 227(4-A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further report that:-
 - i) The company has not maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets do not appear to have been physically verified by the Management during the year under audit and therefore, the question of accounting of any material discrepancy on such physical verification of Fixed Assets does not arise.
 - ii) None of the Fixed Assets have been revalued during the year.
 - iii) We are informed that physical verification of finished goods, stores, spare parts and raw materials including packing materials have been conducted by the mangement at reasonable intervals during the year.
 - iv) The procedure of physical verification of stocks, in our opinion, are reasonable and adequate in relation to the size of the company and the nature of its business.
 - v) The management has not reported any Material discrepancies in physical verification of stocks.
 - vi) Valuation of stock of Finished Goods, stores, spare parts and Raw Materials, including packing materials & Tools and implements is based on net realisable value or at cost whichever is lower in accordance with normally accepted accounting principles and is on the same basis as in the earlier years.
 - vii) The company has not taken any Loans, Secured or Unsecured from Companies, Firms or other parties required to be listed in Register prescribed under Section 301 of the Companies Act, 1956. The provisions of section 370 of the Companies Act, 1956 are not applicable to a Company on and from October 31, 1998.
 - viii) The company has not granted any Loans, Secured or Unsecured to Companies, Firms or other parties required to be listed in Registers prescribed under Section 301 of the Companies Act, 1956. The provisions of section 370 of the Companies Act, 1956 are not applicable to a Company on and from October 31, 1998.
 - ix) The parties to whom loans and Advances are given by the company in the nature of loans are mostly given to employees and are being repaid or adjusted in normal course.
 - x) There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of spares, plant and machinery and other assets.
 - xi) There are no transactions of purchase of goods and materials and sale of goods, materials or services made in pursuance of contracts or arrangement required to be entered in Register prescribed under Section 301 of Companies Act, 1956.