



BHARAT BERG LIMITED

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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12TH ANNUAL REPORT
1997-98

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As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies at the meeting

TWELFTH ANNUAL REPORT

BOARD OF DIRECTORS

R.R. KUMAR (Chairman)
DR. ING ROLF KOHLGRUBER
K. D. SULTANPURI
(Alternate to Dr. Ing Rolf Kohlgruber)
DR. N. S. DATAR
DR. B. V. BHOTA
P.N. SHAH
K. A. PARDHI
N. K. SHINDE (IDBI Nominee)
H. K. BAJPAI (PICUP Nominee)
D. V. KOLTE (Whole time Director)
R. C. AGARWAL (Managing Director)

AUDITORS

AGRAWAL & KAPOOR
Chartered Accountants
16/31, Civil lines,
Kanpur-208 001

BANKERS

STATE BANK OF INDIA
STATE BANK OF TRAVANCORE
PUNJAB NATIONAL BANK

REGISTERED OFFICE & SHARE DEPARTMENT

168, Vidhya Nagari Marg,
Kalina, Santacruz (East)
Mumbai-400 098
Phones: 6497375, 6053211, 6053226
Fax : 022-6462930
Gram : JUDYOGPATI, SANTACRUZ

FACTORY

MALWAN-212664
Distt. Fatehpur, Uttar Pradesh
Phones: 05180-8230, 8232, 8229



BHARAT BERG LIMITED

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of BHARAT BERG LIMITED will be held on Saturday, 26th September, 1998 at 10 A.M. at Nehru Planetarium (A.C. Basement Hall), Dr. Anne Besant Road, Worli, Mumbai-400019 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended as on that date together with the reports of the Auditors and rs thereon.
2. To appoint a Director in place of Dr. B. V. Bhoota who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri P.N. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To pass with or without modification following Resolution as an Ordinary Resolution.

"RESOLVED that Shri Dinkar Vithal Kolte, holding Office of additional Director till the conclusion of this meeting and for which Company has received notice under section 257 of the Companies Act, 1956, be and is hereby re-appointed wholetime Director of the Company."

5. To consider and if thought fit to pass with or without modification following Resolution as a Special Resolution :

"RESOLVED that pursuant to the Provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable Provisions of the Companies Act, 1956 and subject to such other approvals as may be deemed necessary, the consent of the Company be and is hereby accorded to the appointment of Shri D.V. Kolte as wholetime Director (Works) of the Company for a period of five years with effect from 26.09.1997 upon and subject to terms and conditions as to remuneration as set out hereunder :

1. Salary : Rs. 9,000/- per month.
2. Perquisites : Perquisites shall be allowed in addition to salary as classified into three Categories 'A', 'B' and 'C' as follows :

CATEGORY 'A'

- a. Director (Works) will also be entitled to rent free accommodation at the factory premises at Malwan.

EXPLANATION : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Whole-Time Director.

- b. **MEDICAL REIMBURSEMENT :** Medical Expenses incurred by the Whole-Time Director for himself and his family, subject to a ceiling of one month's salary per year or three month's salary over a period of three years.
- c. **LEAVE TRAVEL CONCESSION :** For the Whole-Time Director and his family once in a year incurred in accordance with the rules of the Company.

EXPLANATION : For the purpose of Category 'A' "family" means the spouse, the dependent children and dependent parents of the Whole Time Director.

CATEGORY 'B'

- a. Contribution to provident Fund, Superannuation Fund or annuity Fund as per rules.
- b. Gratuity shall be paid at half a month's salary for each completed year of service.

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CATEGORY 'C'

- a. **CAR** : The Company will provide a car with driver to the Whole-Time Director. Car used for Company's business will not be considered as perquisites. Use of car for private purpose will be billed by the Company.
- b. **TELEPHONE** : The Company will provide telephone at the residence of Whole-Time Director. Telephone used for Company's business will not be considered as perquisites. Personal long distance calls for private purposes will be billed by the Company.
3. **LEAVE** : Whole-Time Director shall be entitled to privilege leave with pay not exceeding one month for every eleven months of completed service. In addition he will also be entitled for casual leave of 10 days for every Completed year of service.
6. To appoint Auditors and fix their remuneration.

"REGISTERED OFFICE"

168, Vidya Nagari Marg
Kalina, Santacruz (East)
MUMBAI - 400 098
Date : 14.08.1998

By order of the Board,

R. C. Agarwal
Managing Director

NOTES :

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy in order to be effective must be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to section 173 of the companies Act, 1956 in respect of the business under item No. 5 is annexed hereto.
3. The register of Members and share transfer books of the company will remain closed from Monday 21st September, 1998 to Saturday the 26th September, 1998 both days inclusive.
4. Shareholders seeking any information with regard to accounts are requested to write to the company atleast seven days prior to the meeting so as to enable the management to keep the information ready.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Shri D. V. Kolte was appointed additional Director by the Board of Directors at the Board Meeting held on 26th September, 1997 and he has been designated Director (Works) for a period of five years w.e.f. 26th September, 1997 on terms and conditions specified in the Resolution above. He is also occupier of the factory as per the provisions of Factories Act, 1948.

He is drawing remuneration as per the Board Resolution passed on 26th September, 1997 within the limits provided in Schedule XIII of the Companies Act, 1956. The details of remuneration are given in the proposed Special Resolution in the Item No. 5 of the Notice.

His terms of appointment require the approval of the Members. The Board recommends the Resolution for approval.

None of the Directors except Mr. Kolte be deemed to be interested in this Resolution.



BHARAT BERG LIMITED

DIRECTORS' REPORT

To the members of

BHARAT BERG LIMITED

Your Directors present herewith the Twelfth Annual Report alongwith Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

The financial results of the company for the year are as follows :

	(Rs. in Lacs)
	Current Year
	Previous Year
Sales	5498.42
Profit/(Loss) before Interest and Depreciation	(1116.32)
Interest	834.58
Depreciation	160.18
Profit/(Net Loss)	(2111.08)
	8970.80
	(102.77)
	774.56
	203.25
	(1080.60)

OPERATIONS :

During the year under review your company achieved a turnover of Rs. 5498.42 Lacs as compared to Rs. 8970.80 Lacs in the previous year. The production of GP/GC Sheets during the year was 18253 MTS as against 28460 MTS in the previous year.

High incidence of Interest, Lower Capacity utilisation, cessation of Sales Tax exemption, sluggish and high competitive market conditions had an adverse effect on the performance of the company. The cumulative effect of the above factors had resulted in net loss of Rs. 2111.08 Lacs during the year as against Rs. 1080.60 Lacs in the previous year.

FUTURE OUTLOOK :

The year under review had not been a good year for the Steel Industry which has witnessed wide spread recession in India and abroad. The Matter has been further compounded on account of shortage of working capital funds. The Board for industrial and Financial Reconstruction (BIFR) has ordered winding up of the company in Oct.'97. Appeal was made to Appellate Authority (AAIFR). In July' 98, AAIFR has upheld the BIFR order. The company shall be filing a writ petition in the Hon'ble High Court against this order. However, the company is still producing and selling its products as on date although at reduced capacities.

FINANCE :

In view of the losses sustained by the company, its accounts with its Bankers are irregular on account of inability of the company to honour commitments under Letter of Credit. The Bankers are not extending any fresh working capital to the company.

ACCOUNTS :

As regards the Auditors Report, the explanations given in note No. 9, 10 and 11 are self explanatory.

DIRECTORS :

During the year Mrs. Neeta Nawathe, Director (Administration) of the company resigned with effect from 26th September, 1997. Shri B. Swaminathan, Nominee Director of BIFR, was withdrawn vide BIFR

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order dated 20th October, 1997. Your Directors wish to place on record their appreciation for services rendered by Mrs. Neeta Nawathe and Shri Swaminathan.

Shri Dinkar Vithal Kolte was appointed additional Director on 26th September, 1997 and holds office till conclusion of this Annual General Meeting. Being eligible, offers himself for re-appointment.

Dr. B. V. Bhoota and Shri P. N. Shah retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS :

M/s. Agrawal & Kapoor, Chartered Accountants, Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PERSONNEL :

The relations with the personnel throughout the year under review have remained cordial. None of the employees of the company was in receipt of the remuneration in excess of the limits prescribed Under Section 217 (2A) of the companies act 1956 read with Companies (Particulars of Employee's) Rules 1975 as amended.

OTHER STATUTORY INFORMATION :

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo as required Under Section 217(1)(e) of the companies act, 1956 read with companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are set out in Annexure 1 forming part of the Report.

ACKNOWLEDGEMENT :

Your directors take this opportunity to offer their sincere thanks to the Financial Institutions, Banks, Central Government, State Government and various departments of Central and State Governments for their continued support, guidance and co-operation and are especially grateful to you for your reposing faith and confidence in the Company's Management. Your Directors also place on record their deep sense of appreciation for the devoted services rendered by all the employees of the company at all levels.

For and on behalf of the board,

Place : Mumbai
Date : 14th August, 1998

R. R. Kumar
Chairman

ANNEXURE - 1

BHARAT BERG LIMITED

Annexure for Directors Report

Information as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended 31st March, 1998.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

Various energy Saving equipments like capacitors, economizers, motors of optimum capacity insulated pipe lines and tip covers special type of imported burners, sophisticated auto-matic temperature control etc. have been used.



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(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

Efforts are being made to locate the possible areas for consumption and energy consumption per unit of production.

(c) Total Energy consumption per unit production as under :

FORM "A"

	1997-98	1996-97
I. Power & fuel consumption :		
1. Electricity		
(A) Purchased Unit (K.W.H.)	1797566	1791609
Total Amount (Rs. in Lacs)	67.76	57.26
Rate/Unit (Rs.)	3.66	3.20
(B) Own Generation		
Through Diesel Generator		
Unit (K.W.H.)	247856	269012
Unit Per Ltr. Of Diesel Oil	3.11	2.67
Cost/Unit (Rs.)	3.65	3.27
2. Coal	Nil	Nil
3. Furnance Oil		
Qty. (Ltr.)	494000	594169
Total Amount (Rs. in Lacs)	33.05	24.85
Average Rate (Rs./Ltr.)	6.69	4.18
II. Consumption per unit of production		
GP/GC Sheet (in M.T.)	18253	28460
Electricity (in KWH)	112.06	72.40
Furnace Oil (In Ltr.)	27.06	20.88

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption are as under :

FORM - B

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the Company :
Thrust areas identified for carrying out R & D activities included
 - (a) - Product improvement
 - (b) - Product Development
 - (c) - Yield Improvement