

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

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FEATHERTOUCH, **STEELGRIP**, MARBLEX, GUARD,
EUROPA, MURALON, NATRAJ, IMPERIAL, CLICK,
DYNASTIE, DITTO, NOVASOFT **LAXMI FEEDS**

1997-98





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Board of Directors	Kalyanji J. Tanna	- Chairman
	Laxmikant J. Tanna	- Vice-Chairman
	Tushar T. Tanna	- Managing Director
	B. R. Shah	
	V. Ramamrutham	
	V. D. Vadera	
	Bansi S. Mehta	- Alternate to V. D. Vadera
	N. D. Vadera	
	R. D. Vadera	- Alternate to N. D. Vadera
President	Sumant B. Taneja	
General Manager & Company Secretary	Devang R. Mehta	
Legal Advisers	Kanga & Co.	
Auditors	Chandrakant & Sevantilal	
	Chartered Accountants	
	Korke & Raval	
	Chartered Accountants	
Bankers	United Bank of India	
	Union Bank of India	
	Bank of Baroda	
	State Bank of Patiala	
	Indian Bank	
	Syndicate Bank	
	Bombay Mercantile Co-op Bank Ltd.	
Registered Office	New Administrative Block, Western Express Highway, Borivli (East), Mumbai - 400 066.	
Factories At	Borivli	Bhor
	Baroda	Satara
	Dombivli	Bangalore
	Hosur	

**BHOR INDUSTRIES LIMITED****NOTICE**

NOTICE is hereby given that the **FIFTY-FIFTH ANNUAL GENERAL MEETING** of the Members of **BHOR INDUSTRIES LIMITED** will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001 on Friday, the September 11, 1998 at 11.00 a.m. to transact the following business :

1. To adopt the audited Profit & Loss Account of the Company for the year ended March 31, 1998 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares of the Company for the year ended March 31, 1998.
3. To appoint a Director in place of Shri Tushar T. Tanna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B.R. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s.Chandrakant & Sevantilal and M/s. Korke & Raval, Chartered Accountants, Mumbai as Joint Statutory Auditors to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board
For **BHOR INDUSTRIES LIMITED**

DEVANG R. MEHTA

General Manager & Company Secretary

Mumbai : June 26, 1998.

Registered Office :

New Administrative Block,
Western Express Highway,
Borivli (East), Mumbai - 400 066.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.



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2. The Register of Members and Share Transfer Books of the Company, will remain closed from Tuesday, September 1, 1998 to Friday, September 11, 1998, both days inclusive.
3. Dividend, if declared at the 55th Annual General Meeting will be payable to those persons whose names appear on the Company's Register of Members as on September 11, 1998.
4. Pursuant to Section 205(A) of the Companies Act, 1956 all unclaimed dividends for the following financial years will be transferred to the General Revenue Account of the Central Government on the dates specified against the years.

Financial year ended	March 31, 1995	-	October	5,	1998
- do -	March 31, 1996	-	September	18,	1999
- do -	March 31, 1997	-	October	20,	2000

Members who have not encashed/claimed their dividend warrants for the above financial years are requested to immediately forward the same duly discharged to the Company to facilitate payment.

5. Please note that M/s. Busi-Comp Software Consultants have been appointed as the new Registrar and Share Transfer Agent of the Company. Members are requested to notify immediately change in their addresses specifying the Registered Folio No., Complete address in Block Capitals with Pin Code Number of the Post Office to the Share Transfer Agent, M/s. Busi-Comp Software Consultants, 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai - 400001.
6. Members are requested to bring their copy of the Annual Report alongwith them to the Meeting as copies of the Annual Report will not be distributed at the Meeting. Members are also requested to produce the Attendance Slip at the entrance to the venue.



BHOR INDUSTRIES LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to submit the 55th Annual Report and audited Accounts for the year ended March 31, 1998.

CORPORATE RESULTS

	Year ended 31.03.1998 (Rs.inLacs)	Year ended 31.03.1997 (Rs.in Lacs)
Manufacturing Income	8601	11847
Non Manufacturing Income	255	290
Total Income	8856	12137
Total Expenditure	8239	10942
Interest (Net)	265	225
Gross Profit	352	970
Depreciation	324	336
Deferred Revenue Expenditure	-	969
Less: Transferred from General Reserve	-	(969)
Profit before Tax	28	634
Provision for Tax	5	3
Net Profit	23	631
Balance brought from previous year	142	112
Transferred from Investment Allowance Reserve	139	-
Profit available for appropriation	304	743
APPROPRIATION		
Proposed Dividend	102	183
Tax @ 10% on Proposed Dividend	10	18
Transferred to General Reserve	-	400
Balance Carried to Balance Sheet	192	142
	304	743

DIVIDEND

Your Directors are pleased to recommend for your consideration payment of tax free dividend of 10% for the year ended March 31, 1998 on 10151700 Equity Shares of Rs.10/- each. The dividend as recommended, if approved by the Members at the Annual General Meeting will absorb Rs.111.67 Lacs including dividend tax.

PERFORMANCE

Your Company has achieved a turnover of Rs.90.44 Crores during the Financial Year 1997-98 as against Rs.112.89 Crores for the previous year. The contribution of Feeds Division and Bhor Industries Ltd. was Rs.12.84 Crores and Rs.77.60 Crores respectively as against Rs.18.18 Crores and Rs.94.71 Crores for the previous year. The turnover of the Company declined by Rs.22.45 Crores i.e. by nearly 25% over previous year. The profits after tax came down from Rs.6.31 Crores to Rs.23 lacs in the year 1997-98. It is significant that though Feeds Division turnover came down its profit went up whilst Bhor Industries mainline shows a loss.

The main reason for the decline in turnover and profits of Bhor Industries (without Feeds Division) was that a lock out had to be declared from November 4, 1997 due to continuous incidents of violence, intimidation, obstruction and the irresponsible behaviour of the workers. There were frequent disruptions in production from July, 1997. Abuse of Plant and Machinery resulted in heavy losses in terms of time and materials. All this translated into a great loss for the Company. Your Company's principal OE Customers like Maruti Udyog, Hindustan Motors, Mahindra & Mahindra and Hero Honda were forced to switch to our competitors. The Company suffered a sales loss of around Rs.23 Crores for the Financial Year 1997-98 and this translates to a loss of about Rs.4.5 Crores in profit.

In short, the Company's performance and profitability declined mainly on account of disruption in Borivli operations. Its inability to supply to prestigious OE customers from Borivli will have implications for that Plant.

SATARA PLANT

The Company's Satara Plant commenced commercial production in November 1997 with encouraging trends from January 1998 onwards. At present the contribution of Satara Plant towards turnover is Rs.1.20 Crores per month. The initial teething problems will be overcome during the current year and utilisation of capacities will be enhanced to give turnover of Rs.2.5 Crores per month by the end of this Financial Year.

Satara Plant is equipped with fully integrated facilities to produce fabric-coated products like Imperial Feathertouch, Leather Cloth and PU products in addition to Tapes and Laminated products including Flooring. New and automatic machines combined with great co-operation from local workers and an excellent managerial and technical team, will give the advantage of improved productivity at reduced operating costs. This will lead to some degree of amelioration of the losses being caused by Borivli Plant.



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ECONOMIC AND INDUSTRIAL SCENARIO

At the macro level, the general economic conditions continue to be depressed and its impact on industries is more pronounced at this stage. Industry has recorded a negative growth rate during March 1998. Leaders in the Automotive Industry like Telco have been reported 61% reduction in their profits. We must recognise the fact that the recessionary conditions continue to prevail in our economy and the general economic conditions are not conducive to growth. Indirect taxes have been raised in the current financial year which will increase the prices of our inputs by atleast 8%. Furthermore, our Industry is saddled with surplus capacities which will intensify the competition and margins will be put under great pressure. Your Company has taken appropriate measures to fight these trends.

PROSPECTS

Amidst the non-conducive economic and industrial scenario your Company is gearing up to enhance its market share by offering 'quality' at competitive prices.

Your Company believes that growth can be achieved only through stability. A slim organisational structure and cost conscious approach will go a long way to consolidate the position of your Company in the Industry. Your Company is confident that our actions will make your Company regain its market leadership in the PVC and PU upholstery segment. The Company is already a leader in Tapes and a major player in Floorings.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and Article 105 of the Articles of Association of the Company Shri Tushar T. Tanna and Shri B.R. Shah retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the current Financial Year Shri S.J.Mehta and Shri S.B.Taneja resigned as Directors. The Board places on record its appreciation for their contribution towards the progress of the Company. Shri S.B.Taneja continues as the President of the Company.

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956 the audited statement of accounts together with the Directors' and Auditors' Report of Subsidiary Company, M/s. Bhor Steelgrip Tapes Ltd. for the year ended March 31, 1998 are annexed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

PARTICULARS OF EMPLOYEES

Information in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of the Directors' Report for the year ended March 31, 1998. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all Shareholders of the Company, excluding the statement of particulars of employees under Section 217 (2A) of the Act. Shareholders interested in obtaining a copy of the Statement, may write to the Secretary at the Registered Office of the Company.

AUDITORS AND AUDITORS' REPORT

The Joint Auditors, M/s. Chandrakant & Sevantilal and M/s. Korke & Raval, retire at the concluding of the Annual General Meeting and being eligible, offer themselves for re-appointment. It is proposed that while M/s. Chandrakant & Sevantilal will continue to audit the traditional business of your Company undertaken by it prior to the amalgamation, and that M/s. Korke & Raval will continue to carry out the audit of Company's Laxmi Feeds Division.

As required under the provisions of Section 224 (1) (B) of the Companies Act, 1956 the Company has obtained from the said Auditors, written confirmations to the effect that their appointments, if made, would be in conformity with the limits specified in the said Section.

The observations of the Auditors in their Report, when read with the notes to the accounts are self explanatory and therefore, do not call for any further comments.

FIXED DEPOSITS

During the Financial Year 1997-98, Fixed Deposits amounting to Rs.3,84,500/- matured out of which deposits worth Rs.3,59,500/- were either paid or renewed. Deposits worth Rs.25,000/- remained unclaimed. The balance of Fixed Deposits with the Company as on 31st March 1998 were Rs.9,67,000/-

ACKNOWLEDGEMENT

Your Directors express their grateful appreciation for the co-operation received from the Banks, Financial Institutions, Shareholders, Dealers, Valued Customers and the Employees of the Company during the year under review.

For and on behalf of the Board

K. J. TANNA
Chairman

Mumbai : June 26, 1998



BHOR INDUSTRIES LIMITED

ANNEXURE "A"

ANNEXURE TO THE DIRECTORS' REPORT SHOWING PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

Conservation of energy is given top priority by the Company. During the year, the Company has taken following measures towards energy conservation :

1. Organising the operating procedures in such a way that energy losses are minimised by eliminating idle running. This has helped in reducing Furnace Oil Consumption and Energy per unit.
2. Modifying the processes so as to eliminate intermediate steps bringing down per unit consumption of Energy.
3. Optimisation of electrical load by matching motor power capacity to the exact operational requirements.

(b) Additional investments and proposals being implemented for reduction of consumption of energy :

1. Banbury Mixer at the Calender has been re-commissioned so as to reduce the power consumption by employing lower horse power motor. This has also resulted in reduction in wastage of raw materials leading to lower consumption of energy.
2. Development of products are being developed to meet new uses and users in domestic and export market.
3. Development of products aimed at import substitution particularly in automobile sector.
4. Introduction of ingredients to enhance environmental protection.
5. Modification of processes so as to reduce the number of steps.

The above measures have been instrumental in bringing down the cost of energy per unit of production in addition to improving quality.

(B) TECHNOLOGY ABSORPTION

(a) Specific areas in which R&D was carried out by the Company.

1. Efforts are directed towards producing products meeting international standards by devising processes and introducing materials to enhance quality.
2. As a result of these efforts, products developed to meet the requirements of new customers resulting in import substitution and cost reduction.

(b) Benefits derived as a result of above :

1. product range widened to meet market requirements and to serve new customers.
2. reduction in cost of products.
3. improved quality and productivity.

(c) Future plan of action :

1. Enhancement of productivity.
2. Development of cost effective products.
3. Focus on consolidation and quality improvement and cost reduction.

(d) Technology absorption, adaptation and innovation :

The Company has not imported any technology during the year.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	1997-98 Rs.	1996-97 Rs.
Total foreign exchange earned	2,95,93,041	361,49,261
Total foreign exchange used	6,79,71,538	6,93,68,611

By order of the Board

K. J. TANNA
Chairman

Mumbai : June 26, 1998.