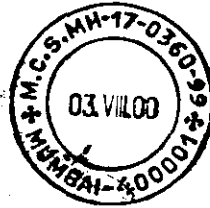


Annual Report 1999-2000



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

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BHOR BHOR INDUSTRIES LIMITED

Board of Directors	Kalyanji Jamnadas Tanna	- Chairman
	Laxmikant Jamnadas Tanna	- Vice-Chairman
	Tushar Tulsidas Tanna	- Managing Director
	Vinodkant Dayalbhai Vadera	
	Bansidhar S. Mehta	- Alternate to V. D. Vadera
	Narendra Dayalbhai Vadera	
	Rasikchandra Dayalbhai Vadera	- Alternate to N. D. Vadera
	Bipinchandra Ratilal Shah	
	V. Ramamrutham	

President Sumant B. Taneja

General Manager & Company Secretary Nimesh S. Shah

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	



NOTICE

NOTICE is hereby given that the **FIFTY-SEVENTH ANNUAL GENERAL MEETING** of the Members of **BHOR INDUSTRIES LIMITED** will be held at Y. B. Chavan Centre, Gen. Jagannath Bhosle Road, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Wednesday, the August 30, 2000 at 11.00 a.m. to transact the following business :

As Ordinary Business :

1. To adopt the audited Profit & Loss Account of the Company for the year ended March 31, 2000 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kalyanji J. Tanna, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri V. Ramamrutham, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Chandrakant & Sevantilal and M/s. Korke & Raval, Chartered Accountants, Mumbai as Joint Statutory Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

As Special Business :

5. To consider and, if thought fit, to pass with or without any modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval of Members be and is hereby accorded to the re-appointment of Shri Kalyanji J. Tanna as Whole-time Director of the Company for a further period of five years with effect from 1st January, 1999 to 31st December, 2003, whose terms of office shall be liable to determination by retirement of Directors by rotation, at a remuneration and perquisites as per details given below :

1. SALARY :

The Basic Salary not exceeding Rs. 25,000/- per month and as may be determined by the Board of Directors of the Company from time to time.

2. MEDICAL REIMBURSEMENT :

Reimbursement of actual Medical expenses for self and family.

3. CAR :

Provision of Company Car for official use.

4. TELEPHONE :

Provision of Telephone at residence for official use.

5. GAS & ELECTRICITY CHARGES :

The Company will reimburse the actual expenses incurred for Gas & Electricity charges during the tenure of appointment.

6. DRIVER'S SALARY :

Reimbursement of Driver's salary.

"RESOLVED FURTHER THAT the above terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors, as it may, in its absolute discretion deem fit, within the maximum amount of remuneration payable in accordance with the provisions of Section 198, 269 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act, as amended from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, expedient, and proper in the best interest of the Company."

6. To consider and, if thought fit, to pass with or without any modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,314 and other applicable provisions,

BHOR BHOR INDUSTRIES LIMITED

if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval of Members be and is hereby accorded to the re-appointment of Shri Laxmikant J. Tanna as Whole-time Director of the Company for a further period of five years with effect from 1st January, 1999 to 31st December, 2003, whose terms of office shall be liable to determination by retirement of Directors by rotation, at a remuneration and perquisites as per details given below :

1. **SALARY :**
The Basic Salary not exceeding Rs. 25,000/- per month and as may be determined by the Board of Directors of the Company from time to time.
2. **MEDICAL REIMBURSEMENT :**
Reimbursement of actual Medical expenses for self and family.
3. **CAR :**
Provision of Company Car for official use.
4. **TELEPHONE :**
Provision of Telephone at residence for official use.
5. **GAS & ELECTRICITY CHARGES :**
The Company will reimburse the actual expenses incurred for Gas & Electricity charges during the tenure of appointment.
6. **DRIVER'S SALARY :**
Reimbursement of Driver's salary.

"RESOLVED FURTHER THAT the above terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors, as it may, in its absolute discretion deem fit, within the maximum amount of remuneration payable in accordance with the provisions of Section 198, 269 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act, as amended from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, expedient, and proper in the best interest of the Company."

7. To consider and, if thought fit, to pass with or without any modifications, the following resolution as a **Special Resolution :**

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, of the Companies Act, 1956, (including any Statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out hereinbelow :

1. Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes.
Beneficial Owner : "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.
Depositories Act : "Depositories Act" means the Depositories Act, 1996 including any statutory modification or re-enactment thereof for the time being in force.
Depository : Depository shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
Member : Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
2. The following article with marginal note be inserted after the existing Article 14 and be numbered as Article 14-A.
Dematerialised Shares : The Company shall be entitled to dematerialise its existing shares, dematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.
3. The following Article shall be inserted as Article 14-B of the Articles of Association and shall be read as follows.
Register and Index of Members : The Company shall cause to be kept a Register and Index of



members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996, with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

4. The following Article shall be inserted as 17-A of the Articles of Association and shall be read as follows.
Shares to be numbered progressively and no share to be sub-divided : The shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
5. The following Article shall be inserted as 38-A of the Articles of Association and shall be read as follows.
Register of Transfers : The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.
6. Following Article shall be inserted as 39-A of the Articles of Association and shall read as follows.

Transfer and Transmission of shares held in Electronic form :

In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

7. The following Article shall be inserted as 54-A of the Articles of Association and shall be read as follows:
Company not bound to recognise any interest in share other than that of registered holder :
Except as ordered by a court of Competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

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

Mumbai : June 27, 2000

NIMESH S. SHAH
General Manager & Company Secretary

Registered Office :

New Administrative Block, Magathane,
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.**
2. **PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The relevant Explanatory Statement in respect of Special Business as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
4. **The Register of Members and Share Transfer Books of the Company, will remain closed from Wednesday, August 16, 2000 to Wednesday, August 30, 2000, both days inclusive.**
5. Members are requested to notify immediately change in their addresses specifying the Registered Folio No., Complete address in Block Capitals with Pin Code No. of the Post Office to the Company or its Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt.Ltd., 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai 400001. Tel No.: 2617957, Fax No. 2626407.



BHOR INDUSTRIES LIMITED

6. Members desiring any information, as regards the Accounts are requested to write to the Company at least seven days before the Meeting so as to enable the Management to keep the information ready.
7. 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.
8. Members are requested to produce the Attendance Slip at the entrance to the venue.

ANNEXURE TO THE NOTICE

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

ITEM NO. 5 :

Shri Kalyanji J. Tanna was appointed as Whole-time Director of the Company for a period of 5 years w.e.f. 1st January, 1994 and his contract is due for renewal. Your Directors consider the services of Shri Kalyanji J. Tanna, extremely useful keeping in view his varied experience and abilities. It would be in the best interest of the Company to re-appoint Shri Kalyanji J. Tanna as Whole-time Director. Therefore, the Board of Directors at their Meeting held on 28th October, 1999 subject to the consent of the Members, have proposed to re-appoint Shri Kalyanji J. Tanna as a Whole-time Director of the Company for a further period of 5 years with effect from 1st January, 1999 to 31st December, 2003 on such terms of remuneration and perquisites as set out in the resolution.

Under the provisions of the Companies Act, 1956 consent of the Members of the Company is required for the re-appointment and fixation of remuneration payable to the Whole-time Director.

The Board accordingly recommends the resolutions in these item of the Notice for approval of the Members.

Shri Kalyanji J. Tanna himself, Shri Laxmikant J. Tanna and Shri Tushar T. Tanna, Directors of the Company being his relatives are concerned or interested in the resolutions as Item No. 5 of the Notice.

The terms and conditions of Shri Kalyanji J. Tanna's appointment as set out above may also be treated as an abstract of the terms of appointment between Shri Kalyanji J. Tanna and the Company under section 302 of the Companies Act, 1956.

ITEM NO. 6 :

Shri Laxmikant J. Tanna was appointed as Whole-time Director of the Company for a period of 5 years w.e.f. 1st January, 1994 and his contract is due for renewal. Your Directors consider the services of Shri Laxmikant J. Tanna, extremely useful keeping in view his varied experience and abilities. It would be in the best interest of the Company to re-appoint Shri Laxmikant J. Tanna as Whole-time Director. Therefore, the Board of Directors at their Meeting held on 28th October, 1999 subject to the consent of the Members, have proposed to re-appoint Shri Laxmikant J. Tanna as a Whole-time Director of the Company for a further period of 5 years with effect from 1st January, 1999 to 31st December, 2003 on such terms of remuneration and perquisites as set out in the resolution.

Under the provisions of the Companies Act, 1956 consent of the Members of the Company is required for the re-appointment and fixation of remuneration payable to the Whole-time Director.

The Board accordingly recommends the resolutions in these item of the Notice for approval of the Members.

Shri Laxmikant J. Tanna himself, Shri Kalyanji J. Tanna and Shri Tushar T. Tanna Directors of the Company being his relatives are concerned or interested in the resolutions as Item No. 5 of the Notice.

The terms and conditions of Shri Laxmikant J. Tanna's appointment as set out above may also be treated as an abstract of the terms of appointment between Shri Laxmikant J. Tanna and the Company under section 302 of the Companies Act, 1956.

ITEM NO. 7 :

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System is a very safer and more convenient method for holding and trading in the securities of a Company. The Company has intentions to join the Depository Systems and it is, therefore, proposed that the Company's Articles of Association be suitably altered as set out in Resolution at Item No.7 to reflect the provisions of the Depositories Act, 1996 and to indicate therein the rights of the beneficial owners of the securities in such a system.

The Board recommends the Resolution for acceptance by the Members.

A copy of the Memorandum and Articles of Association is available for inspection by the Members of the Company on all working days except Saturday, between 10.30 a.m. to 12.30 p.m. upto the date of the Annual General Meeting. No Director is interested or concerned in the Resolution.

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

Mumbai : June 27, 2000

NIMESH S. SHAH
General Manager & Company Secretary

Registered Office :

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



DIRECTORS' REPORT

To

The Members,

Your Directors are forwarding herewith the 57th Annual Report and Audited Accounts for the year ended March 31, 2000.

CORPORATE RESULTS :

	Year Ended 31-03-2000 (Rs.in Lacs)	Year Ended 31-03-1999 (Rs.in Lacs)
Manufacturing Income	7172	7715
Non Manufacturing Income	46	236
Total Income	7218	7951
Total Expenditure	8036	8039
Operating Loss	818	88
Interest (Net)	472	396
Gross Loss	1290	484
Depreciation	177	340
Loss before Tax & Extra Ordinary Items	1467	824
Extra Ordinary Items	685	-
Provision for Tax	1	25
Net Loss	2153	849
Balance brought from Previous Year	657	(192)
Loss Carried to Balance Sheet	2810	657

Your Company has achieved a turnover of Rs.73.11 Crores during the Financial Year 1999-2000 as against Rs.76.73 Crores for the previous year. The Turn over of the Company declined by Rs.3.62 Crores i.e. 4.71 % compared to the Previous year.

The Company reported a loss of Rs.14.67 Crores after Interest & Depreciation.

Your Company's operating loss of Rs.14.67 Crores has components of a non-recurring nature impacting it. These are :

- a) Borivli Plant expenses approximating Rs. 3 Crores.
- b) VRS/Separation Expenses approximating Rs. 2 Crores.
- c) Octroi Demand approximating Rs. 1 Crore.

If these are excluded, our operating loss from "routine" operations is Rs. 8.74 Crores.

Your Company has passed through an extremely trying period during the last 3 years. On the one hand realisation has declined significantly and on the other hand input costs have gone up considerably. For example realisation of Leather Cloth declined from Rs. 86/- in 1995-96 to Rs. 72/- in the current year. Similarly realisation of Tapes declined from Rs. 6.55 to Rs. 5.60 per reel.

Inputs like DOP, Resin and Fuel went up by 15%.

The combined negative impact of declining realisation and increased input costs is 33%.

In such an environment, Management's ability to intervene and optimise is limited. It can only act in areas under its control. Consequently, your Management continuously launched initiatives to improve its cost and productivity structure.

To this end it sought to down-size and enforce productivity standards at Borivli and Bhor.

Your Management also took the initiative to improve production from Satara & Baroda plants. Satara will do Rs. 66 Crores this year against Rs. 18 Crores of the previous year in terms of production value. Baroda will do Rs. 6 crores per annum.

Better and fuller utilisation of capacity at Satara and Baroda will have a salutary effect on our cost structure, not only in terms of unit cost, but also in terms of better administrative control.

BHOR BHOR INDUSTRIES LIMITED

Your Management is making serious and concerted efforts to inform its family of employees at various levels the compulsions to reduce cost and improve productivity. Your Company is optimistic that with all these exercises underway, it would be possible to improve its commercial standing in this fiscal year.

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 Kalyanji J. Tanna and Shri V. Ramamrutham retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS AND AUDITORS' REPORT :

The Joint Auditors, M/s. Chandrakant & Sevantilal and M/s. Korke & Raval, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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.

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. Bhore Steelgrip Tapes Ltd. for the year ended March 31, 2000 are annexed.

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, 2000. 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 the Shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Act. Any Shareholder interested in obtaining a copy of the Statement, may write to the Company Secretary at the Registered Office of the Company.

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.

The Company had smooth transition to the year 2000. No Y2K problem was noticed and all the Systems functioned normally.

FIXED DEPOSITS :

During the Financial Year 1999-2000, Fixed Deposits amounting to Rs.3,18,500/- matured and the same were either paid or renewed. No deposits remained unclaimed. The balance of Fixed Deposits with the Company as on 31st March 2000 were Rs.3,42,000/-.

INSURANCE :

All the assets of the Company are adequately insured.

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 27, 2000.



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 requirement.

(b) Proposals being implemented for reduction of consumption of energy :

1. Reduction in wastage of raw materials leading to lower consumption of energy.
2. Development of products 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 plans 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 :

	1999-2000 Rs.	1998-1999 Rs.
Total foreign exchange earned	2,06,64,344	1,23,56,375
Total foreign exchange used	7,86,85,859	7,40,91,666

By order of the Board of Directors

K. J. TANNA
Chairman

Mumbai : June 27, 2000. •