

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

28th

ANNUAL REPORT

1998

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BHORUKA STEEL LIMITED

28th ANNUAL REPORT 1998

Board of Directors

S.N. Agarwal

Chairman & Managing Director

M. Sreenivasa Rao

Vice Chairman

A.S. Lakshmanan

Dr. M.V. Kamath

C.S. Pani

Dr. E.R.C. Shekar

S.K. Sharma

M.S. Ram

A.V.S. Hameed

Nominee of IDBI

Ms. Janaki Kathpalia

Nominee of BIFR

R.C. Purohit

Auditors

R.S. Agarwala & Co.

Bankers

Canara Bank

Registered Office & Works

Whitefield Road,
Mahadevapura Post,
Bangalore 560 048

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Annual General Meeting	
Date	: 30th September 1998
Day	: Wednesday
Venue	: Registered Office : Whitefield Road, Mahadevapura Post, Bangalore-560 048
Time	: 3 PM

BHORUKA STEEL LIMITED**NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the Company will be held on Wednesday 30th September, 98 at 3.00 p.m. at the Registered Office of the company at Whitefield Road, Mahadevapura Post, Bangalore-560 048 to transact the following business :

1. To consider and adopt Accounts of the company for the 12 months ended 31.3.98 and the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. A.S. Lakshmanan who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr.S.K.Sharma who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr.M.S.Ram who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr.R.C.Purohit who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration. M/s. R.S. Agarwala & Co., Chartered Accountants

retire at this Meeting and are eligible for reappointment.

By order of the Board

S.N. AGARWAL

Chairman & Managing Director

Place : Bangalore

Date : 29.7.1998

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 24/9/98 to Wednesday 30/9/98. Both days inclusive.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
3. The Members are requested to intimate any change in their address, if any, to the Company.
4. Members requiring information on the Accounts are requested to write to the company atleast SEVEN DAYS before the meeting to enable the Company to furnish the information.

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DIRECTORS' REPORT

Your Directors present the Company's 28th Annual Report together with the audited statements of accounts for the twelve months ended 31st March, 1998.

1. FINANCIAL RESULTS

The Turnover of the Company was Rs.1266 Lakhs for eighteen months ended 31st March 1998 as against Rs.9249 Lakhs for eighteen months ended 31st March 1997. The financial performance is summarized below :

	Rs.in lakhs	
	31st March 1998	31st March 1997
	(12 months)	(18 months)
Sales	1266.19	9248.88
Other Income	622.55	714.40
Total expenses	1878.20	9739.28
Finance charges	193.47	2041.26
Loss after interest but before depreciation and taxation	182.93	1817.26
Depreciation	120.64	162.13
Net loss	303.57	1979.39

2. PERFORMANCE

As mentioned in our earlier report, the Steel Melting Shop and Wire Rod Mill remained closed from 28/11/96. Consequently, no Steel production throughout the year under review.

3. DIVIDEND

Your Directors do not recommend any dividend, in view of the loss.

4. FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits.

5. DIRECTORS

Mr. A. S. Lakshmanan, Mr.S.K. Sharma, Mr. M.S. Ram and Mr. R. C. Purohit, directors retire by rotation and are eligible for reappointment.

Mr.D.P.Agarwal resigned from the Board with effect from 9/5/98. The Board placed on record its appreciation for the valuable services rendered by Mr.D.P.Agarwal during his tenure as Director.

6. Reference to the Board for Industrial and Financial Reconstruction (BIFR)

As mentioned in our earlier report the reference made to Board for Industrial and Financial Reconstruction, New Delhi under Section 15 (1) of the Sick Industrial (Special Provisions) Act, 1985, is under consideration for rehabilitation. The Draft Rehabilitation Scheme is expected to be circulated during the current year.

7. PERSONNEL

Industrial Relations throughout the year under review were good. The Directors place on record their appreciation of the services rendered by all the employees.

8. PARTICULARS OF EMPLOYEES

The Particulars of Employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forming part of this report, is annexed.

9. DISCLOSURES

Information in accordance with the Provisions of Section 217(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 as given in the prescribed format also forms part of this Report.

10. OBSERVATIONS OF THE AUDITORS

The observation of the auditors at para 4 of their report is explained by the Notes on Accounts at Schedule - 15.

11. AUDITORS

At the Annual General Meeting, the Members are requested to appoint auditors and to fix their remuneration for the ensuing year. Ms. R.S. Agarwala & Company, Chartered Accountants, the present Auditors, have furnished the necessary certificate that they are eligible for reappointment.

For and on behalf of the Board

Place : Bangalore
Date : 29.7.1998

S.N. AGARWAL
Chairman & Managing Director

BHORUKA STEEL LIMITED**PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT**

Name	Age	Date of commencement of employment	Qualifications	Experience (years)	Designation	Gross remuneration (Rs.)	Name of the last employer	Period of service with last employer (years)
Employed through out the year								
Mr. Agarwal S N	52	1.4.1972	B.E.(Civil) T&DM (USA) AMP (HARVARD)	28	Chairman & Managing Director	4,48,741	Director, Transport Corpn. of India Ltd.,	4

- Notes :
1. Remuneration stated above includes inter alia, money value of perquisites and Company's contribution to Provident Fund, Super Annuation Fund but does not include Gratuity. Other terms and conditions are as per Company's Rules.
 2. The Nature of Employment is contractual.
 3. Mr. S.N. Agarwal, Chairman and Managing Director holds Equity Shares within the meaning of Section 217 (2A)(iii) of the Companies Act, 1956.


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FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy.

POWER AND FUEL CONSUMPTION

	Current Year (12 Months)- 31.3.98	Previous Year (18 Months) 31.3.97
1) ELECTRICITY		
a) Purchased Unit (kwh)	3,75,781	3,88,93,331
Total Amount (Rs)	15,67,942	12,91,66,871
Rate/Unit (Rs)	4.17	3.32
b) Own Generation		
i. Through Diesel Generator (Unit (kwh)	38,796	3,69,414
Units Generated /1 Litre of Diesel	2.89	2.82
Rate /Unit (Rs)	4.35	2.46
ii. Through Steam Generator	N/A	N/A
2. COAL	N/A	N/A
3. FURNACE OIL		
Qty (Ltrs)	nil	20,26,867
Total Amount (Rs)	nil	1,23,40,150
Avg. Rate Per Litre (Rs)	nil	6.09
4) L S H S	N/A	N/A
a) L P G	N/A	N/A
b) L D O	N/A	N/A
c) H S D		
Qty. (Ltrs)	73,220	8,06,137
Total Amount (Rs)	6,76,261	55,90,481
Avg. Rate (Per Ltr)	9.24	6.93
5) Consumption per Unit of Production		
1) Electricity (Units per MT)		
Rolled Products	nil	1,039
Refractories	127	133
2) Furnace Oil/LS HS/HSD (Ltrs Per MT)		
Rolled Product	nil	48
Refractory	77	77
3) OTHERS	nil	nil

BHORUKA STEEL LIMITED**FORM - B****Form for disclosure of particulars with respect to Technology Absorption****1. Research & Development**

As the main activities of the company remained closed since last week of November 1996, no R & D activity could be carried out.

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

Nil

b) Benefits derived as a result of the above R & D.

N/A

c) Future Plan of action will depend upon the Rehabilitation scheme to be approved by the BIFR.

d) Investment - Nil

e) Expenses of R & D	1.4.97 to 31.3.98	1.10.95 to 31.3.97
	Rs.	Rs.
A) Capital	-	-
B) Recurring	7,954	14,17,146
C) Total	7,954	14,17,146
D) Total R & D expenses as a percentage of total turnover	-	0.14%

2. Technology absorption, adoption and innovation

Nil

3. Foreign Exchange earnings and Outgo

a. The foreign exchange earnings was Rs. NIL during the year.

b. The detail of foreign exchange outgo on various items are given below:

	Rs.
i. Raw materials imported (CIF Value)	54,43,438
ii. Components and Spare Parts (CIF Value)	3,17,823
iii. Expenditure on Travelling	20,116