

30th

ANNUAL REPORT

2000



BHORUKA STEEL LIMITED

BHORUKA STEEL LIMITED

Board of Directors	S.N. Agarwal	<i>Chairman</i>
	Dr. M.V. Kamath	
	A.V.S. Hameed	<i>Nominee of IDBI</i>
	Janaki Kathpalia	<i>Nominee of BIFR</i>
	R.C. Purohit	<i>Managing Director</i>

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	: 29th September 2000
Day	: Friday
Venue	: Registered Office : Whitefield Road, Mahadevapura Road Bangalore - 560 048
Time	: 11 AM

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NOTICE

Notice is hereby given that the 30th Annual General meeting of the Company will be held on Friday, 29TH September, 2000 at 11 A.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 year ended 31st March, 2000 and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. S.N.Agarwal who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr.M.V.Kamath who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration. R.S. Agarwala & Company, Chartered Accountants, who retire at this meeting are eligible for re-appointment.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution.

RESOLVED THAT subject to such approvals as may be required Mr.R.C.Purohit be and is hereby appointed as Managing Director for a period of five years with effect from 1st April, 2000 without any remuneration for the time being.

Place : Bangalore
Date : 29th July, 2000

By order of the Board
S.N.Agarwal
Chairman

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed for one day 29th September, 2000.
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 the change in their address, if any, to the Company.
4. Members requiring information on the Accounts are requested to write to the company at least SEVEN DAYS before the meeting to enable the Company to furnish the information.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The term of Mr.S.N.Agarwal as Managing Director came to an end on 31st March, 2000. Mr.S.N.Agarwal did not seek reappointment.

The Board at its meeting held on 6th April, 2000 appointed Mr.R.C.Purohit as Managing Director for a period of Five years with effect from 1st April, 2000 without any remuneration for the time being. This appointment is subject to such approvals as may be necessary.

Mr.R.C.Purohit is a Commerce graduate from the University of Calcutta and Chartered Accountancy (Inter) from Institute of Chartered Accounts of India with over 25 years of rich experience. He held Senior positions such as Sales Manager, Commercial Manager and Vice President in the Company. He is the Power of Attorney holder of the Company since 1981. Mr.R.C.Purohit is closely associated with the Steel Industry such as Chairman, Steel Furnace Association of India (South Region), Wire Manufacturing Association of India and Federation of Karnataka Chambers of Commerce and Industry. He is also Executive Director of Bhoruka Engineering Industries Limited. Mr.R.C.purohit was appointed as the Director of the Company with effect from 26th March, 1997 and nominated as Occupier of the Company's Factory to have ultimate control over affairs of the Company's factory at Bangalore. The Board of Directors thought fit to appoint him as the Managing Director of the Company in view of his close association with the Company and the need of a senior person to look after the day to day operations of the Company.

Except Mr.R.C.Purohit, none of the Directors is interested in the resolution

Place : Bangalore
Date : 29th July, 2000

By order of the Board
S.N.Agarwal
Chairman

BHORUKA STEEL LIMITED**DIRECTORS' REPORT**

Your Directors' present the Company's 30th Annual Report together with the Audited Statements of Accounts for the twelve months ended 31st March, 2000.

1. FINANCIAL RESULTS:

The turnover of the Company was Rs. 965 lakhs for the year ended 31st March, 2000 as against Rs. 945 lakhs for the year ended 31st March, 1999. The financial performance is summarized below:

	(Rs. in lakhs)	
Particulars	1999-2000	1998-99
Sales & Services	965.49	944.89
Other Income	112.18	524.20
Total Expenses	1076.38	1375.25
Finance Charges	1.66	8.55
Profit after interest but before depreciation and taxation	0.37	85.29
Depreciation	117.23	119.98
Income Tax for earlier Year	13.09	Nil
Net loss	130.69	34.69

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. The refractory division operations also remained suspended from September, 1998 which resulted low turn-over. However, it is gratifying to note that the Stevedoring division of the Company is doing well.

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. S.N.Agarwal and Dr.M.V.Kamath Directors retire by rotation and are eligible for reappointment.

Mr.S.K.Sharma resigned from the Board with effect from 31.7.99 and Mr. M.Sreenivasa Rao, Mr.C.S.Pani, Dr.E.R.C.Shekar resigned from the Board with effect from 5.8.99 respectively. The Board placed on record its appreciation for the valuable services rendered by Mr. M.Sreenivasa Rao, Mr.C.S.Pani, Dr.E.R.C.Shekar and Mr.S.K.Sharma during their tenure as Directors.

The term of Mr.S.N.Agarwal as Managing Director came to an end on 31st March 2000 and he did not seek reappointment. Mr S.N.Agarwal continued to be the Director and the Chairman of the Company.

The Board with utmost reluctance relieved Mr.S.N.Agarwal as Managing Director with effect from 31st March, 2000.

The Board paid rich tributes to the invaluable contribution made by Mr.S.N.Agarwal as Managing Director for over three decades.

The Board subject to such approvals, appointed Mr.R.C.Purohit as Managing Director for Five years with effect from 1st April 2000 without any remuneration for the time being.

6. REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

The Reference made to Board For Industrial and Financial Reconstruction is under consideration. The Draft Rehabilitation Scheme is expected to be circulated during the current year.

7. PERSONNEL:

Your Directors placed on record their appreciation for the services rendered by the employees despite trying times.

8. PARTICULARS OF EMPLOYEES:

None of the employees of the Company during the year or part thereof were in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

9. DISCLOSURES:

The particulars required under Section 217 (1)(e) of the Companies Act, 1956 relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo are given in a separate statement attached to and forming part of this Report.

10. OBSERVATIONS OF THE AUDITORS:

The observations of the Auditors at para 5 of their Report are 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 their certificate of eligibility for appointment.

For and on behalf of the Board

Place: Bangalore

S.N.Agarwal

Date: 29th July, 2000

Chairman

30th ANNUAL REPORT 2000**FORM - A**

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

	<u>CURRENT YEAR</u>	<u>Previous Year</u>
POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
a) Purchased Unit (kwh)	NIL	225379
Total Amount(Rs.)	NIL	1039000
Rate/Unit(Rs.)	NIL	4.61
b) Own Generation		
i. Through Diesel Generator (Unit kwh)	NIL	32160
Units generated / 1 Litre of Diesel	NIL	2.69
Rate/Unit(Rs.)	NIL	4.41
ii. Through Steam Generator	NIL	NIL
2 COAL	N/A	N/A
3 FURNACE OIL		
Qty. (Ltrs)	NIL	NIL
Total Amount(Rs.)	NIL	NIL
Avg. Rate Per Litre (Rs.)	NIL	NIL
4 LSHS		
a) LPG	N/A	N/A
b) LDO	N/A	N/A
c) HSD	N/A	N/A
Qty. (Ltrs)	NIL	11975
Total Amount(Rs.)	NIL	141904
Avg. Rate Per Litre (Rs.)	NIL	11.85
5 CONSUMPTION PER UNIT OF PRODUCTION		
1) Electricity (Units per MT)		
Rolled Products	NIL	NIL
Refractories	NIL	127
2) Furnace Oil /LS HS/HSD (Ltrs per MT)		
Rolled Products	NIL	NIL
Refractories	NIL	101
3) Others	NIL	NIL

BHORUKA STEEL LIMITED**FORM - B**

Form for Disclosure of Particulars with respect to Technology Absorption

1 Research and Development

In view of suspended operations, no R & D activity carried out during the year under review.

2 Technology absorption, adoption and Innovation

NIL.

3 Foreign Exchange earnings and Outgo

a. The foreign exchange earnings was Rs.30694839/- previous year Rs.604858/-.

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

	RS.
i. Raw materials Imported (CIF Value)	-
ii. Components and Spare parts (CIF Value)	-
iii. Expenditure of Travelling	92210