

BHORUKA STEEL & SERVICES LIMITED



**39th
ANNUAL REPORT
2008-2009**

BHORUKA STEEL & SERVICES LIMITED

BOARD OF DIRECTORS : Dr.V.V.Srivatsa
 : Mr.Cheraz Bharucha
 : Mr. S. Chandrasekaran (w.e.f. 30.01.2009)
 : Mr. R.C.Purohit - Managing Director

AUDITORS : M/s R.S. Agarwala & Company
 No.48, Lavelle Road
 Bangalore -560 001.

BANKERS : State Bank of India

REGISTERED OFFICE & WORKS : Whitefield Road
 Mahadevapura Post
 Bangalore-560 048

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NOTICE OF 39th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting of the Members of the Company will be held on Wednesday 30th September, 2009 at 9.30 A.M at Registered Office of Bhuruka Gases Limited, Whitefield Road, Mahadevapura Post, Bangalore-560 048 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and Profit and Loss Account for twelve months ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. V. V. Srivatsa who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration. M/s. R.S. Agarwala and Company, Chartered Accountants, who retire at this meeting and are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL Resolution:

RESOLVED that Mr. S. Chandrasekaran who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30/01/2009 be and is hereby appointed as the Director of the Company."

BY ORDER OF THE BOARD

Place : Bangalore
Date : 31st August 2009

R. C. Purohit
Managing Director

BHORUKA STEEL & SERVICES LIMITED

NOTES :

1. A relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of items of special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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.**
3. Members/Proxies should bring their attendance slip/proxy form duly filled in for attending the Meeting. A copy of the proxy form and attendance slip is appended hereto.
4. The Register of Members and Share Transfer books of the company will remain closed on 23rd September, 2009 to 30th September, 2009 (both days inclusive)
5. Members are requested to intimate the change in their address, if any in their address to the Registrar and share transfer Agent..

M/s Can Bank Computer Services Limited
 Unit: Bhorka Steel & Services Limited
 J.P ROYALE, 1st Floor, # 218, 2nd Main,
 Sampige Road, (Near 14th Cross), Malleswaram,
 Bangalore - 560 003. Phone : 080-23469661 / 65, Fax : 080-23469667
 Email : canbankrta@ccsl.co.in

6. The Shareholders of the company are aware the Company is already De-listed from Bombay Stock Exchange Ltd and Bangalore stock Exchange Ltd with effect from 30th March, 2009, pursuant to the provisions of the SEBI (Delisting of Securities) Guidelines, 2003. However, the shares are listed with National Securities Depository Ltd (NSDL) under ISIN no, INE 152101014 to facilitate the shareholders to dematerialize their shares
7. 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.
8. The Members/ Proxies are requested to bring their copies of the Annual Report to the Meeting.

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

ITEM NO.4

Mr.Chandrasekaran was appointed as an additional Director of the Company by the Board of Directors with effect from 30th January, 2009 and who hold office up to the date of this Annual General Meeting under section 260 of the Companies Act, 1956 and is eligible for re-appointment. The company has received a notice in writing from a shareholder of the Company signifying his intention to propose Mr.S.Chandrasekaran as a candidate for the office of the Director.

Mr.S.Chandrasekaran aged 61 years. He is having rich and varied experience in Management . The Board considers it desirable that the company continues to avail the service and wise counsel of Mr.S.Chandrasekaran and accordingly, the Directors recommend that he be appointed as a Director of the Company, Other than Mr.S.Chandrasekaran none the other Directors is in any way concerned or interested in the proposed resolution.

BY ORDER OF THE BOARD

Place : Bangalore
 Date : 31st August 2009

R. C. Purohit
 Managing Director

39th ANNUAL REPORT-2009

DIRECTORS' REPORT

Your Directors present the Company's 39th Annual Report together with the Audited Statements of Accounts for Twelve months ended 31st March, 2009.

1. FINANCIAL RESULTS:

The turnover of the Company was Rs.2104 lakhs for Twelve months ended 31st March, 2009 as against Rs.1563 lakhs for Twelve months ended 31st March, 2008. The financial performance is summarized below:

(Rs. In Lakhs)

Particulars	Year ended 2008-2009	Year ended 2007-2008
Sales & Services (Net of ED)	2104	1563
Other Income	53	83
Total Expenses	2017	1350
Finance Charges	71	28
Profit/Loss (-) after interest but before depreciation and taxation	69	268
Depreciation	132	94
Provision for tax	3	24
Deferred Tax Liability	(22)	58
Net Profit /Loss (-)	-44	92

2. PERFORMANCE

During the Twelve months period under review, the income of refractory division was 625 lakhs in 2008-09 against 49.86 lakhs in 2007-08 and the prospects of the refractory division may improve in future years. The operations of the Stevedoring division of the Company have shown recovery during the year and income of stevedoring division increased to Rs 1547 lakhs in 2008-09 from Rs.1518 lakhs in previous year.

3. DIVIDEND:

Your Directors do not recommend any dividend for the financial year ended 31st March, 2009.

4. FIXED DEPOSITS:

During the year under review, the company had neither accepted nor renewed any deposits.

5. DIRECTORS:

Dr.V.V.Srivatsa, who retires by rotation and being eligible, offers himself for re-appointment. Mr.S.Chandrasekaran was appointed as Additional Director of the Company with effect from 30th January, 2009 and hold office till the conclusion of ensuing annual general meeting and the Board recommends his appointment as a Director as it will be beneficial for the company.

6. PERSONNEL:

Your Directors placed on record their appreciation for the services rendered by the employees

7. PARTICULARS OF EMPLOYEES:

BHORUKA STEEL & SERVICES LIMITED

7. PARTICULARS OF EMPLOYEES:

None of the employees of the Company during the year or part thereof was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

Details of energy conservation and research and development activities undertaken by the company along with the information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure-"A" to the Directors' Report.

9. DELISTING OF SHARE CAPITAL:

As per the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 the promoters of your Company opted for voluntary delisting of Share Capital and the requisite approval has been received from Bombay Stock Exchange Limited and Bangalore Stock Exchange Limited for delisting the equity shares with effect from 30th March, 2009. Consequent upon delisting of shares from the stock exchanges, the equity shares of the Company are not traded on the stock exchanges.

10. COMPLIANCE CERTIFICATE

In terms of Section 383A of the Companies Act, 1956 the Company has obtained a secretarial compliance certificate from a practicing Company Secretary. The said Certificate is annexed to this Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That your Directors have prepared the annual accounts on a going concern basis.

12. AUDITORS:

At the Annual General Meeting the Members are requested to appoint Auditors and authorize the Board of Directors to fix their remuneration for the ensuing year. M/s. R.S. Agarwala & Company, Chartered Accountants, the present Auditors, have furnished the certificate of eligibility for re-appointment.

Regarding auditors observation for sharing of area under joint development agreement the same has been adequately explained in note No.15, of Schedule 16 to accounts.

13. ACKNOWLEDGEMENT :

Your Directors are thankful for the Co-operation and support, which the company has received from financial institutions, bankers, suppliers, customers and most importantly the Government of Karnataka, Government of India and other regulatory authorities. Your Directors gratefully acknowledge the contributions made by the employees towards the working of the Company.

For and on behalf of the Board

Place : Bangalore
Date : 31st August 2009

Cheraz Bharucha
Director

R. C. Purohit
Managing Director

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BHORUKA STEEL & SERVICES LIMITED**Annexure "A"****ANNEXURE TO THE DIRECTORS' REPORT DISCLOSURE OF PARTICULARS**

Information pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988

FORM -A (PI check figures-current period to shift to previous year)

Particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
1. Electricity:		
Purchase Units(kwh)	422393	197699
Total Amount(Rs.)	2181245	1154203
Rate /Unit (Rs.)	5.16	5.96
2. Furnace Oil		
Quantity purchased (liters)	145.000	92.089
Total Amount (Rs)	5176101	2963875
Rate/Unit (Rs.)	36.00	50.01
3. Consumption per unit of production		
a) Electricity (unit per MT) -Refractory	90	50.01
b) Furnace oil (liters per MT) - Refractory	100	337

FORM B

Particulars with respect to Technology absorption

1. a) Research & Development - To reduce fuel consumption and to
- b) Benefit derived as a result of the above R&D - reduce rejections, we are
- c) Future plan of action - installed new tunnel kiln
- d) Expenses on R & D (Rs)
- 2008-2009 2007-2008
- i) Capital - -
- ii) Recurring - -
- iii) Total - -
- iv) percentage to turnover - -
2. Technology absorption, adoption and innovation
- a) Use of spinal raw materials being tested
- b) New better products
- c) Development of DART Refractory
3. Foreign Exchange earnings and outgo(Rs.)
- 2008-2009 2007-2008
- a) Foreign Exchange earnings 132049
- b) Foreign Exchange outgo - -
- i) Raw materials imported CIF value - -
- ii) Traveling Expenses - -

AUDITORS' REPORT

TO THE MEMBERS OF M/s. BHORUKA STEEL & SERVICES LIMITED

1. We have audited the attached Balance Sheet of M/s. BHORUKA STEEL & SERVICES LIMITED, as at 31st March 2009 and also the Profit and Loss Account and cash flow statement for the year ended on that date, annexed thereto.
These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, subject to, (a) Note No.15 of the Notes on Accounts under Schedule No. 16 relating to sharing of area and Income on rent, under Joint development agreement, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - g) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
 - h) in case of the Profit and Loss Account, of the Loss for the 12 months period ended on that date.
 - i) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For R. S. AGARWALA & CO.,
Chartered Accountants

Place : Bangalore
Date : 31st August 2009

(M. GANDHI)
Partner