



BHORUKA GASES LIMITED

26th ANNUAL REPORT

1999-2000

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BOARD OF DIRECTORS S N AGARWAL - *Chairman*
 K GURURAJ - *Managing Director*
 UMA AGARWAL - *Wholetime Director*
 S SANTHANAM
 S K WARRIOR
 C S PANI
 DINESH HIMATSINGKA
 S V S RAGHAVAN
 RUDI G ENDRES - *MIG Nominee Director*
 C P PHILIP - *IDBI Nominee Director*
 (Upto 23.8.1999)

VICE PRESIDENT A SHARATH CHANDRA PRASAD
FINANCE & ADMINISTRATION

COMPANY SECRETARY & L NANDALAL
MANAGER FINANCE

AUDITORS R S AGARWALA & CO

BANKERS STATE BANK OF INDIA

REGISTERED OFFICE Whitefield Road

& PLANT Mahadevapura

Bangalore - 560 048

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BHORUKA GASES LIMITED



BHORUKA GASES LIMITED

Registered Office:
Whitefield Road, Mahadevapura, Bangalore-560 048

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of the Company will be held on Friday, 29th September 2000 at 1.30 p.m. at A/c Hall, Woodlands Hotel, No. 5, Raja Rammohan Roy Road, Bangalore - 560 025, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Accounts for the year ended 31st March 2000 and Report of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. S. K. Warrior, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. V. S. Raghavan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. S. Pani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors and to fix their remuneration and in this connection, to consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 224 A and other applicable provisions, if any, of the Companies Act, 1956, M/s. R.S. Agarwala & Company, Chartered Accountants, the retiring Auditors, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting on such remuneration as the Board may deem fit."

By Order of the Board
for BHORUKA GASES LIMITED

(K. Gururaj)
MANAGING DIRECTOR

Place : Bangalore
Date : July 28, 2000

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NOTES:

1. 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.
2. Proxies in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
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 Share Transfer books of the company will be closed from September 01, 2000 to September 29, 2000.
5. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the office of the Registrar of Companies, Karnataka located at "E Block", 2nd Floor, Kendriya Sadan, Koramangala, Bangalore - 560 034.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company at Whitefield Road, Mahadevapura, Bangalore - 560 048 between 11.00 a.m. and 1.00 p.m. on any working day of the Company upto the date of the Annual General Meeting.
7. Members are requested to notify change in address, if any, immediately by quoting their folio numbers to the Registrars at the following address:

M/s. Kirloskar Computer Services Limited
Unit : Bhorka Gases Limited
No. 5570, Malleswaram West
BANGALORE - 560 055

8. Members are requested to bring their copies of Annual Report to the Meeting.
9. Members desirous of availing the nomination facility are requested to fill in the form enclosed with the Annual Report

BHORUKA GASES LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Statement of Accounts and Auditors' Report thereon.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March 2000 are furnished below:

(Rs. in lakhs)

	Year ended 31.3. 2000	Year ended 31.3.1999
Sales & Other Income	3,228	3,470
Profit before Interest, Hire Charges, Depreciation & Taxes	926	918
Interest & Hire Charges	816	668
Profit before Depreciation & Taxes	110	250
Depreciation including Preliminary	533	524
Expenses written off		
Profit after tax	(423)	(274)

2. OPERATIONAL HIGHLIGHTS:

The performance of your Company during the year under review has been on the expected lines. Your Company has registered a decrease of 8% in Sales quantity over the previous year and 7% decrease in the value of Gross Sales and Other Income over the previous year. The net loss for the year was Rs.423 Lakhs as against a net loss of Rs. 274 Lakhs during the previous year. This was mainly on account of the lower realisation in respect of all the products, substantial increase in cost of petroleum products like furnace oil and also high interest burden.

3. OUTLOOK FOR THE FUTURE

The Industrial Gas industry has been witnessing tremendous activity in recent years. On the one hand, production capacities have substantially increased and on the other, demand has not picked up on expected lines. Your Company is actively redefining some segments of the markets to meet the enhanced competition. We hope the industrial scenario would improve and the pressure on the selling prices would reduce. Further, Oil Prices are expected to stabilize in the coming months, which would give room for substantial improvement in the performance of the Company.

4. DIRECTORS:

Mr. C.P. Philip ceased to be a director on August 23, 1999. The Board places on record their appreciation of the services rendered by him. Mr. S. K. Warrior, Mr. S.V.S. Raghavan and Mr. C.S. Pani retire at the ensuing Annual General Meeting and are eligible for re-appointment.

5. INDUSTRIAL RELATIONS:

Industrial relations were cordial during the year. A long term wage agreement with the unionised workmen had been signed for a period of three years effective from April 1999.

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6. PARTICULARS OF EMPLOYEES:

None of the employees of the Company was in receipt of remuneration in terms of Section 217 (2A) of the Companies Act, 1956.

7. AUDITORS:

M/s. R.S. Agarwala & Co, Chartered Accountants, retire as Auditors of the Company at the conclusion of the 26th Annual General Meeting and are eligible for re-appointment.

8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS/OUTGO:

The information required under Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 with respect to these matters is appended hereto and forms part of the report.

9. YEAR 2000 COMPLIANCE

The company has successfully achieved Y2K compliance without any obstacles and the cost involved were not substantial.

10. APPRECIATION:

Your Directors wish to place on record their sense of appreciation for the valuable assistance, guidance and co-operation extended by the Financial Institutions, Bank, Customers, Shareholders and the Employees of the Company during the year under review.

Bangalore
July 28, 2000

For and on behalf of the
Board of Directors
S N AGARWAL
Chairman