

15TH ANNUAL REPORT 1997-98

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



TAKING A LEAP TOWARDS LEADERSHIP



BHUSHAN STEEL & STRIPS LIMITED

of service.

(c) Encashment of leave at the end of tenure.

EXPLANATION : Family means the spouse, the dependent children and dependent parents of VCMD.

MINIMUM REMUNERATION :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Vice Chairman-cum-Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary and perquisites not exceeding Rs 87,500/- Per Month.

This may be treated as an abstract of the Draft Agreement between the Company and Sh. Sanjay Singal, Vice Chairman-Cum-Managing Director pursuant to section 302 of the Companies Act, 1956.

A copy of the draft agreement may be inspected at the Registered Office of the Company on any working day during business hours.

Except Shri. Sanjay Singal, Shri B.B. Singal and Shri Neeraj Singal, none of the Directors is concerned, or interested in this resolution.

ITEM NO. 8, 9 AND 10

At present, the Authorised Share Capital of the Company is Rs 50 Crores. In order to facilitate the Company to issue Preference Shares as stated in Item No. 10, it is proposed that the Authorised Capital of the Company be raised from Rs 50 Crore to Rs 75 Crore by creation of 25,00,000 Preference Shares of Rs 100/- each. The proposed amendment in Clause V of the Memorandum of Association and Article 5(a) of Articles of Association of the Company are consequential to the increase in Share Capital of the Company.

In order to meet Normal Capital Expenditure, long term working capital requirements and to strengthen the cash flow in general and to bring about reduction in high cost of borrowings, the company proposes to issue Preference Shares. The proposed resolution confers enabling authority on the Board to issue Redeemable Preference Shares as envisaged in the Resolutions.

Section 81 of the Companies Act, 1956 provides inter-alia, that when it is proposed to increase the subscribed capital of the Company by allotment of further shares, such further shares shall be offered to the existing members of the Company in the manner laid down in Section 81, unless the Members in the General Meeting decide otherwise.

None of the Directors is concerned or interested in the resolution set out at item no. 8 and 9.

The Directors may deem to be concerned or interested in the resolution set out in item no. 10 to the extent Preference Shares may be allotted to them.

The Directors recommend the resolution for approval of the Members.

BY ORDER OF THE BOARD,

(O.P. DAVRA)

COMPANY SECRETARY

PLACE : NEW DELHI

DATED : JULY 16, 1998

BHUSHAN STEEL & STRIPS LIMITED

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

ITEM NO. 6

In view of growing operations and expansion of the Company's Project it is proposed to acquire shares in the existing Companies which are considered by the Board of Directors to be in the best interest of the Company and for the purpose it is considered necessary to authorise the Board of Directors subject to the approval Under Section 372 of the Companies Act, 1956 or such other statutory approvals as may be required to invest in shares and other securities upto an overall limit of Rs 550 Lacs with further condition that in any one company the total investment shall not exceed an amount of Rs 150 Lacs.

The resolution is an enabling provision aimed at facilitating the Company to make investment as and when an opportunity is available.

The Director recommend the resolution for approval of the Shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO. 7

Due to increasing activities and future expansion programmes of the Company appointment of one more Managing Director is considered necessary. Sh. Sanjay Singal is a Vice Chairman of the Company w.e.f. 03.12.1993. He has been associated with the Company as a Director since 15.01.1987. It is proposed to appoint Sh. Sanjay Singal as a Vice Chairman Cum Managing Director of the Company for a period of 5 years w.e.f. 01.10.1998. His stewardship, business acumen, farsightedness and management techniques will help the Company in its further growth.

The salary, perquisites and allowances proposed to be paid to Sh. Sanjay Singal, Vice Chairman-Cum-Managing Director (VCMD) are as hereunder:-

(A) SALARY : Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand Only) per month.

(B) PERQUISITES AND ALLOWANCES :

In addition to Salary, the VCMD shall also be entitled for the following perquisites and allowances :-

(i) HOUSING :

(a) The expenditure by the Company on hiring furnished accommodation for VCMD will be subject to the following ceiling :

Sixty per cent of the salary, over and above ten per cent payable by the VCMD.

(b) In case the accommodation is owned by the Company, ten percent of the salary of the VCMD shall be deducted by the Company.

(c) In case no accommodation is provided by the Company, the VCMD shall be entitled to house rent allowance subject to the ceiling of 50% of the salary.

EXPLANATION : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

(ii) MEDICAL REIMBURSEMENT :

Expenses incurred for self and family subject to ceiling of one month salary in a year or three month's salary over a period of 3 years.

(iii) LEAVE TRAVEL CONCESSION :

For self and family, once in a year in accordance with the rules specified by the Company.

(iv) CLUB FEES :

Fees of Clubs Subject to a maximum of two clubs.

(v) PERSONAL ACCIDENT INSURANCE :

Premium not to exceed Rs. 10,000/- per annum.

(vi) CAR AND TELEPHONE

Provision for use of the Company's Car for Official duties and telephone at residence. The personal use of the car as per value calculated as per income tax rules shall be considered as perquisites.

NOTE:

The salary, perquisites and other allowances to all the Managerial persons including Sh. Sanjay Singal shall not exceed ten percent of net profits of the Company.

(vii) In addition to the perquisites specified above, the VCMD shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration.

(a) Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

(b) Gratuity as per the Rules of the Company, but shall not exceed one half month's salary for each completed year

"RESOLVED as a Special Resolution that in accordance with the provisions of Section 80, 81 (1-A) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approval, consent, permission and/ or sanction, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by the Central Govt. or any other authorities in granting such approval, consent, permission and/ or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to issue / offer Redeemable Preference Shares of Rs 100/- (Rupees One Hundred) each of an aggregate amount not exceeding Rs 25 Crore (Rs twenty five crore) as the Board at its sole discretion may at any time or times hereafter decide, to the Members, Employees, Banks, Insurance Companies, Financial Institutions, Investment Institutions, Mutual Funds, Companies and other Bodies Corporate, Non Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors and to such other persons or class of persons, whether through public issue, rights issue, private placement and in one or more tranches, at such price or prices and on such terms and conditions including the number of shares to be issued, rate of dividend, redemption period, manner of redemption and related or incidental matters, as the Board may in its absolute discretion thinks fit."

"RESOLVED FURTHER that such of these shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board may in its absolute discretion, think most beneficial to the Company."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of proceeds of issue of the Redeemable Preference Shares and to finalise and execute all documents and writings as may be necessary, desirable or expedient."

PLACE : NEW DELHI

DATED : JULY 16, 1998

BY ORDER OF THE BOARD,

(O.P. DAVRA)

COMPANY SECRETARY

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY WHO NEED NOT BE A MEMBER, TO ATTEND AND VOTE ON HIS/HER BEHALF
2. MEMBERS / PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.
3. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING OFFICE HOURS ON ALL WORKING DAYS, EXCEPT SATURDAYS, BETWEEN 11.00 AM AND 1.00 PM UPTO THE DATE OF THE ANNUAL GENERAL MEETING.
4. THE EXPLANATORY STATEMENT, PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS SET OUT ABOVE IS ANNEXED HERETO.
5. MEMBERS HAVING ANY QUERIES RELATING TO THE ANNUAL REPORT ARE REQUESTED TO SEND THEIR QUESTIONS AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 7 DAYS BEFORE THE DATE OF ANNUAL GENERAL MEETING.
6. MEMBERS HOLDING SHARES UNDER MORE THAN ONE FOLIO ARE REQUESTED TO SEND THEIR SHARE CERTIFICATES TO THE REGISTERED OFFICE OF THE COMPANY FOR CONSOLIDATION UNDER ONE FOLIO.
7. 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 THE 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 REGISTRAR OF COMPANIES, DELHI & HARYANA, CGO COMPLEX, B-BLOCK, 2ND FLOOR, PARYAVARAN BHAWAN, LODHI ROAD, NEW DELHI-110 003.

THE UNPAID DIVIDENDS THAT ARE DUE FOR TRANSFER TO THE CENTRAL GOVERNMENT ARE AS FOLLOWS :-

FINANCIAL YEAR ENDED DUE FOR TRANSFER ON

31.3.1995 14.11.1998

31.3.1996 23.09.1999

31.3.1997 15.11.2000

MEMBERS WHO HAVE NOT ENCASHED THEIR DIVIDEND WARRANTS FOR THE AFORESAID FINANCIAL YEARS ARE REQUESTED TO APPROACH THE COMPANY FOR OBTAINING FRESH PAY ORDER/ DEMAND DRAFT IN LIEU OF EXPIRED DIVIDEND WARRANT.

8. THE MEMBERS' REGISTERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM SEPTEMBER 19, 1998 TO SEPTEMBER 26, 1998 (BOTH DAYS INCLUSIVE).
9. SHAREHOLDERS ARE REQUESTED TO KINDLY BRING THEIR COPIES OF ANNUAL REPORT TO THE MEETING.

BHUSHAN STEEL & STRIPS LIMITED



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF BHUSHAN STEEL & STRIPS LIMITED WILL BE HELD ON SATURDAY THE 26TH SEPTEMBER, 1998 AT 10.00 A.M. AT THE AIRFORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110 010 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To consider and adopt the audited profit & loss account for the year ended 31st March, 1998 and the Balance Sheet as at that date and the report of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. Sanjay Singal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh. B.B. Singal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration and for that purpose, to pass with or without modification(s) the following resolution as a Special Resolution :-

"RESOLVED as a Special Resolution that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s Mehra Goel & Co., Chartered Accountants, New Delhi, be and are hereby reappointed Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorised to fix their remuneration".

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution :

"Resolved that subject to provisions of section 372 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and such other approvals as may be necessary and subject to such conditions and modifications as may be required which the Board of Directors be and is hereby authorised to accept, the consent of the Shareholders be and is hereby accorded to the Board of Directors to invest a sum upto Rs 550 Lacs in equity shares or other securities subject to the condition that total investment in one company shall not exceed an amount of Rs 150 Lacs.

"Resolved further that Board of Directors of the Company be and are hereby authorised to determine the sum to be so invested within the overall aforesaid limits and settle all or any matters arising out of and incidental to the proposed investment."

7. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :
"Resolved that pursuant to the provisions of Sections 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions and approvals as may be necessary, the company hereby approves the appointment of and remuneration payable to Shri Sanjay Singal, as a Vice Chairman cum Managing Director of the Company for a period of five years with effect from 1st October, 1998 on the terms and conditions as to remuneration, perquisites and allowances as set out in the draft agreement submitted to this meeting and for the purpose of identification signed by Sh. R.P. Goyal, Director which agreement is hereby specifically sanctioned and with further liberty to the Directors from time to time alter the said terms in such manner as may be agreed to between the Directors and Shri Sanjay Singal in the best interest of the Company within the limits prescribed in Schedule XIII to the said Act.
8. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution :
"RESOLVED as a Special Resolution that Authorised Share Capital of the Company be and is hereby increased from Rs 50,00,00,000/- (Rupees Fifty crores) to Rs 75,00,00,000/- (Rupees Seventy Five crores) by creation of 25,00,000/- (Twenty Five Lacs) Preference Shares of Rs 100/- each.
9. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution :
"RESOLVED as a Special Resolution that the Memorandum and Articles of Association of the Company be and are hereby amended as follows ;

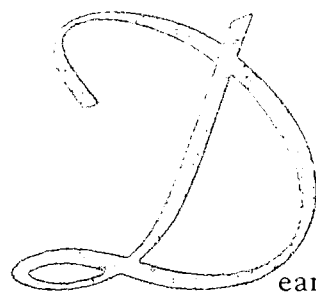
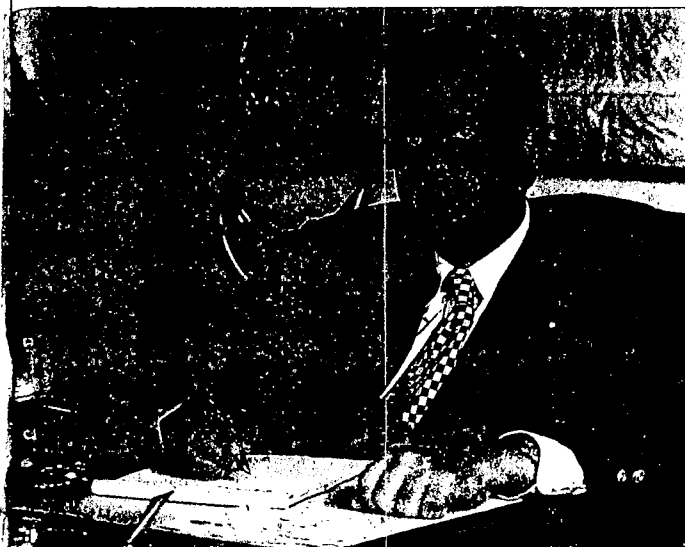
- i) Clause V of the Memorandum of Association of the Company shall be substituted by the following:

"The Authorised Share Capital of the Company is Rs 75,00,00,000/- (Rs. Seventy Five Crores) consisting of 5,00,00,000/- (Five crores) Equity Shares of Rs 10/- (Rupees Ten) each and 25,00,000 (Twenty Five Lac) Preference Shares of Rs 100/- (Rupees One Hundred) each.

- ii) Article 5(a) of the Articles of Association shall be substituted by the following;

The Authorised Share Capital of the Company is Rs 75,00,00,000 (Rupees Seventy Five crore) divided into 5,00,00,000 (Five crore) Equity shares of Rs 10 each and 25,00,000 (Twenty Five Lac) Preference Shares of Rs 100 each with power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative convertible preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.

10. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution :



ear Shareholder,

Setting goals and attaining them despite the odds is the mark of a leader. And leaders make their success story based on the foundation of a solid commitment to quality and performance.

It is this firm determination to achieve results that has made BSSL the most sophisticated and one of the largest cold rolled steel manufacturers in the country.

Having successfully implemented its project last year, your company has also acquired the support of Sumitomo Metal Industries Ltd., one of the world's largest steel manufacturers. This collaboration has increased our productivity and has enabled us to produce world class Cold Rolled Steel.

Today, BSSL has attained the Export House status and is well on the way to becoming a Trading House. With the Indian market opening up to foreign companies, the potential to expand in the white goods and automobile sectors seem more promising than ever before.

BSSL is all set to take on the future and work with you towards a more profitable year ahead.

Yours sincerely

B.B. SINGAL

Chairman

Bhushan Steel & Strips Ltd. entered the industry

in 1990. We brought in quality steel which was tempered with a far - sighted approach, upgraded technology and acute awareness of market trends.

Liberalisation and opening up of India's economy gave insights into the shape of things to come in the future. New breed of cars and white goods would require new breed of quality steel. BSSL identified this niche market and set up India's most sophisticated and widest Cold Rolling facilities. It has expanded its capacity by 3.50 lac metric tonnes to meet these requirements. BSSL is the only steel company to produce 1600 mm wide Cold Rolled Steel, from Hitachi of Japan, the Universal Crown Mill

HITACHI (UCM). This is supported by the world's best process

equipments and a strategic tie-up with Sumitomo Metal Industries, Japan, for product development and quality control systems. The product shall provide import substitute, there by saving valuable foreign exchange for the country.

In the year 1997-98, the company's turnover touched Rs.4565 million as against Rs. 45 million in 1987. The company has become a regular supplier to OEM's and has

a prominent presence in the trade segment of the market. Its clients include Telco, Bajaj Auto, LML, Carrier Aircon, Amtrex, Videocon Appliances, Whirlpool, Electrolux,

Voltas, Godrej GE, Escorts, Hero Motors and others.

Today, BSSL is all set to take the challenges of the future in the car segment of the automobile industry.



....finding a solution requires seeing
the familiar in an unexpected way.

....perfecting an art requires
an eye for details.

Recognising the vast economic potential in the Indian engineering industry, especially in automobiles and white goods segment, BSSL began expanding its production capacity by expansion and upgradation in technology. With the coming of foreign cars and white goods, the demand for upgraded steel has been constantly increasing. Non-availability of the metal has resulted in large quantity imports. BSSL identified, this niche market and set up world's most sophisticated 6 Hi-Universal Crown Mill, a product of Hitachi Japan producing 1600 mm wide steel, the widest in the country.

In addition to shape control features and high level of computerisation, BSSL has some highly advanced equipments such as the Hydrogen based Bell annealing furnaces from Ebner - Austria, Skin Pass Mill from Clecim - France, Electrical Discharge Texturing & Roll Grinding Machine from

Waldrich Siegen - Germany,
Cut to Length from Heinrich

EBNER
Industrieofenbau

Georg - Germany and CR Slitter from Fimi - Italy.

Its high density, fully automated 12 MW

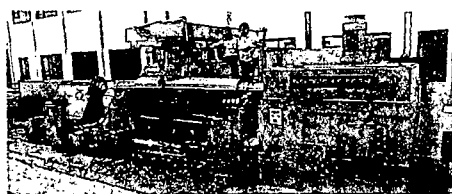
captive power plant from Man

B & W, Germany has further

strengthened BSSL's

competitive edge with in-house

source of highly cost effective and uninterrupted power.





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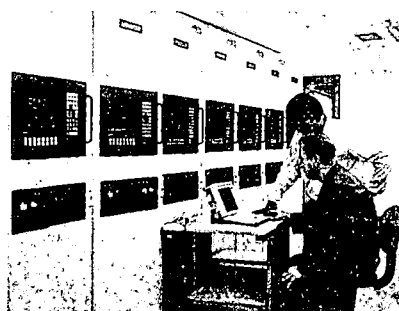
he strength of any leader lies in it's manpower.

The team of well qualified and experienced professionals of BSSL are by far its greatest asset and investment.

Quality is maintained at all levels of production. Special care is taken to train its employees through proper workshops and training programmes.

One of the prime focus areas in Bhushan is a healthy interaction between top management and the subordinates.

BSSL has its branch offices all over the country, coordinating with the central marketing and manufacturing unit.



Prompt service and personalised care is the hallmark of the staff of BSSL. And it is their spirit that tempers the steel produced by the leader.

....many hands create the masterpiece
but it is the spirit that adds the final gleam.

B

SSL has an experience of over a decade in the industry.

Constant technological upgradation ensures that high quality standards are maintained at all stages of production. Its collaboration with Sumitomo Metal Industries Ltd., Japan, has enabled technology transfer in a wide range of areas.

This collaboration has further strengthened the manufacturing capabilities of BSSL resulting in improved quality of C.R. Steel to meet the ever increasing demand of the automobile and white goods sectors. With the coming of international giants like Hyundai, General Motors, Whirlpool, Daewoo, Honda SIEL, Mercedes Benz, Ford, and Electrolux, the demand of high quality steel has risen. Backed by a strong distribution network, BSSL is all set for the challenges of the 21st century. The CRC plant

which is located 15 kms off Delhi is backed with trained man-power, state-of-the-art technology and tempered with a united spirit to perform consistently, BSSL has taken a

big leap towards leadership.



....it is on the anvil that the final shape of the dream is crafted, and the tool is determination.