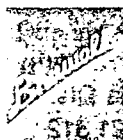


ANNUAL REPORT

1996-97

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

Report  junction.com



BHUWALKA STEEL INDUSTRIES LIMITED

"Bhuwalka Centre", No. 7.

i60 025.



BHUWALKA STEEL INDUSTRIES LIMITED

Board of Directors	: Shri Suresh Kumar Bhuwalka <i>Chairman & Managing Director</i> Shri Sajan Kumar Bhuwalka Shri Sushil Kumar Bhuwalka Shri Kamal Kumar Bhuwalka Shri Kishan Kumar Bhuwalka Shri Sharad Dalmia Shri Biharilal Saraogi Shri Satish Gandhi Shri Yeshwanth Bhupal Shri C. Sudhakar Shetty Shri N. Srinivasan						
Company Secretary	: Shri Govind Sultania						
Auditors	: M/s. P.K. Rungta & Co. Chartered Accountants Bangalore						
Bankers	: Canara Bank in Consortium with Karnataka Bank Limited						
Regd. Office	: No. 71, III Cross Residency Road, Bangalore - 560 025						
Factories	: <table border="0"> <tr> <td>1) at 10th Mile Old Madras Road, Bangalore - 560 049</td><td>4) at Sadarmangla Village Hoody-Whitefield Road, Bangalore - 560 066</td></tr> <tr> <td>2) at 23/B-2, II Stage Industrial Suburb, Yeshwanthpur Bangalore - 560 022</td><td>5) at Melambi Village Kanchipuram Changalpeattu District Tamil Nadu - 631 501</td></tr> <tr> <td>3) at Plot Nos. 18 & 19 Tamaka Industrial Area Kolar - 563 101</td><td>6) 204, Mauji Khupri Taluk Wada District Thane Mumbai - 421 312</td></tr> </table>	1) at 10th Mile Old Madras Road, Bangalore - 560 049	4) at Sadarmangla Village Hoody-Whitefield Road, Bangalore - 560 066	2) at 23/B-2, II Stage Industrial Suburb, Yeshwanthpur Bangalore - 560 022	5) at Melambi Village Kanchipuram Changalpeattu District Tamil Nadu - 631 501	3) at Plot Nos. 18 & 19 Tamaka Industrial Area Kolar - 563 101	6) 204, Mauji Khupri Taluk Wada District Thane Mumbai - 421 312
1) at 10th Mile Old Madras Road, Bangalore - 560 049	4) at Sadarmangla Village Hoody-Whitefield Road, Bangalore - 560 066						
2) at 23/B-2, II Stage Industrial Suburb, Yeshwanthpur Bangalore - 560 022	5) at Melambi Village Kanchipuram Changalpeattu District Tamil Nadu - 631 501						
3) at Plot Nos. 18 & 19 Tamaka Industrial Area Kolar - 563 101	6) 204, Mauji Khupri Taluk Wada District Thane Mumbai - 421 312						
Share Transfer Agents	: Sheshanka Financial Services (P) Limited S-702, Manipal Centre, Dickenson Road, Bangalore - 560 042.						



BHUWALKA STEEL INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Company will be held on Thursday, the 18th June 1998, at 10.30 A.M. at Hotel Woodlands, No. 5, Sampangi Tank Road, Bangalore - 560 025, to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt Audited Statements of Accounts of the Company for the period ended 31st December 1997, together with Auditors and Directors Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri. Sharad Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Kishan Kumar Bhuwalka, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass the following Ordinary Resolution with or without modification(s) :
"Resolved that pursuant to provisions of Section 257 of the Companies Act, 1956, Sri. C. Sudhakar Shetty be and is hereby appointed as Director of the Company, liable to retire by rotation".
7. To consider and if thought fit to pass the following Ordinary Resolution with or without modification(s) :
"Resolved that pursuant to provisions of Section 257 of the Companies Act, 1956, Sri. N. Srinivasan be and is hereby appointed as Director of the Company, liable to retire by rotation".
8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :
"Resolved that the Board of Directors be and are hereby authorised to utilise the balance allotment money due against the Rights Issue, as and when received for the various purposes of the company as mentioned in the Letter of Offer or for such other purposes as may be required, from time to time.
9. To consider and if thought fit to pass with or without modification the following as Special Resolution:
"Resolved that pursuant to Section 17 of the companies Act, 1956 and other applicable provisions and subject to such approvals as may be required the Objects Clause of the Memorandum of Association of the Company be altered so as to include the following

clause as Clause No. 4(b) under clause IIIA:

- 1) To buy, sell, exchange, import, export, manufacture, produce, develop let on hire and install, improve, alter, operate and/or otherwise deal in software systems, parts, accessories, peripherals, apparatus, tools, substances, materials and other mechanical and electronic devices used for processing of data and information.
- 2) To provide management consultancy services, liaison services, management consultancy services on software selections, installation, maintenance and other allied activities for computer systems to users, manufacturers or otherwise as required or on turn key basis.
- 3) To carry out research and development of software application, software jobs for customers for sale or contract or order or otherwise in India and abroad and to get software development from outside agencies for use/sale or lease.
- 4) To carry out training programmes, organise and impart training in all the areas related to software development and computer operations, programming, including the following :
 - i) Programming Languages
 - ii) System analysis and design
 - iii) Computer operation management
 - iv) Computer environments
 - v) Application packages development such as inventory control, financial management, payroll, billing, sales analysis, multiterminal on line enquiry system and other creative application packages.
10. To consider, and if thought fit to pass with or without modifications, the following Resolution as a Special Resolution:
 - a) "Resolved that the Authorised Capital of the company be and is hereby altered so as to include one crore Unclassified Shares of Rs. 10/- each aggregating Rs. 10,00,00,000 (Rs. Ten crores only)".

Resolved further that the existing clause V of the Memorandum and Articles of the Company be deleted and the following be substituted in place thereof :-

The Authorised Capital of the Company is Rs. 25 crores (Rupees Twenty five crores) divided into 1,50,00,000 (One crore fifty lakhs) equity shares of Rs. 10/- (Ten) each and 1,00,00,000 (One crore) unclassified shares of Rs. 10/- (Ten) each with power to increase or reduce the 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, deferred, qualified or special rights privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and



BHUWALKA STEEL INDUSTRIES LIMITED

to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

11. To consider and if thought fit to pass with or without modification the following as a Special Resolution :
"Resolved that pursuant to the Provisions contained in Section 81(1A) and other Provisions of the Companies Act 1956 and other special approvals as may be required from time to time, the Board of Directors of the Company be and are hereby authorised to issue redeemable preference shares, subject to the provisions of the Section 80 of the Companies Act, 1956 upto an amount not exceeding Rs. 10 crores (Rupees Ten crores) to any class of persons and on such terms and conditions as the Board of Directors may deem fit.
"Resolved further that the Board of Directors are hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to complete the above allotments and to give effect to this resolution".

BY ORDER OF THE BOARD

Registered Office :
No. 71, III Cross,
Residency Road,
Bangalore - 560 025
Date : 04-05-98

Sd/-
(GOVIND SULTANIA)
COMPANY SECRETARY

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, should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 12th June, 1998 to 18th June, 1998.
4. The dividend, when declared, will be paid to those shareholders whose names would appear in the Register of Members as on 19th June, 1998.
5. Queries on Accounts and Operations of the Company, if any, may please be sent to the Company atleast 7 days in advance of the Meeting.
6. Members are requested to bring their copies of Annual Report and Accounts to the Meeting. No copy of the Annual Report or Accounts shall be supplied at the Meeting.
7. Shareholders are requested to send their Bank Account particulars to the Company by 19th June 1998 so that the same can be mentioned on the Dividend Warrants to prevent any possible interception and fraudulent encashment of Dividend Warrants.
8. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.

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

ITEM NO. 6 & 7

Sri. C Sudhakar Shetty and Sri. N. Srinivasan were appointed as Additional Directors at the Board Meeting held on 30.03.1998, to hold office upto the ensuing Annual General Meeting. The Company has now received notices Under Section 257 of the Companies Act, 1956, proposing their names for the office of Director. The Board recommends the passing of these resolutions. None of the Directors are interested in these Resolutions.

ITEM NO. 8

The major portion of the Rights Issue Allotment money is yet to be received by the Company. The Rights Issue money was proposed to be utilised for specific purposes mentioned in the Letter of Offer. The requirements of the company may undergo a change depending upon the time of receipt of the balance allotment Money. It is therefore proposed to authorise the Board of Directors to take a decision and utilise the amount as and when received for such other purposes of the company, as may be required, from time to time.

ITEM NO. 9

The Company may in near future take up software development and other connected work and it is therefore proposed to add a clause under the object clause in the Memorandum of Association of the company to enable it to take up such business. It is therefore proposed to alter the Memorandum of Association of the company to include this clause. None of the Directors are interested in this resolution.

ITEM NO. 10 & 11

The company is exploring possibilities of issuing preference shares for meeting funds requirements of the company. To enable issue of preference shares, it is considered necessary to alter authorised share capital of the company. At present the share capital of the company is consisting of 250,00,000 equity shares of Rs. 10/- each against which the issued equity shares are 1,03,50,000 only. It is therefore proposed to unclassify one crore shares out of the remaining shares of the authorised capital. It is also proposed to get permission of the members for issue of preference shares. Directors recommend the resolution for approval of the shareholders. None of the Directors of the Company are in any way concerned or interested in the Resolution.

BY ORDER OF THE BOARD

Registered Office :
No. 71, III Cross,
Residency Road,
Bangalore - 560 025
Date : 04-05-98

Sd/-
(GOVIND SULTANIA)
COMPANY SECRETARY



BHUWALKA STEEL INDUSTRIES LIMITED

DIRECTORS' REPORT

To :

**THE MEMBERS OF
BHUWALKA STEEL INDUSTRIES LTD.**

Your Directors have pleasure in placing before you the 16th Annual Report of the Company together with Statements of Accounts for the period ended 31st December 1997.

1. ACCOUNTING YEAR

The Accounting year of the company was extended by six months from 30.06.97 to 31.12.1997, and the necessary permissions have been obtained from the Registrar of Companies.

2. FINANCIAL RESULTS AND APPROPRIATIONS :

(Rs. in Lakhs)

	96-97	95-96
Profit from Operations	681.54	450.28
Less : Depreciation for the Year	214.05	89.20
Profit before Tax	467.49	361.08
Less : Provision for Taxation	11.00	35.31
Profit after Tax	456.49	325.77
Add : Balance of Profit brought forward	441.19	229.24
	897.68	555.01
Less : Appropriations :		
1) Proposed Dividend	94.20	77.62
2) Tax on proposed Dividend	9.42	—
3) Transfer to General Reserve	300.00	32.00
4) Transfer to Debenture Redemption Reserve	6.30	4.20
	409.92	113.82
Balance of profit Carried forward	487.76	441.19

The figures for the year 96-97 are for a period of 18 months and are therefore not comparable with those of 1995-96.

3. DIVIDEND

The Directors recommend, a Dividend of 15% subject to approval of Banks & Financial Institutions.

4. RIGHTS ISSUE

The Allotment money against the Rights issue was due for payment during the period but major portion of the same remains unpaid.

5. TECHNOLOGY ABSORPTION

The Company is an ongoing company and at this stage there is no scope for absorption of any New Technology.

6. CONSERVATION OF ENERGY

The Total energy consumption and energy consumed per unit of production as per Form 'A' is annexed forming part of this Report.

7. FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings and Expenditure are given under Note 8(F) and (G) of Schedule '19' forming part of the Accounts for the period ended 31st December, 1997.

8. AUDITORS

The retiring Auditors M/s. P.K. Rungta & Company, Chartered Accountants, Bangalore are eligible for reappointment.

9. PERSONNEL

Industrial Relations remained cordial throughout the year. The information as required to be furnished in terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is NIL.

10. DIRECTORS

Shri. Ravi Murarka ceased to be the Director of the Company. The Board places on record its appreciation for the valuable services rendered by him. Shri. C. Sudhakar Shetty and Shri. N. Srinivasan have been appointed as additional Directors of the Company. It is proposed to appoint them as Directors under section 257 of the Companies Act, 1956 at the ensuing Annual General Meeting. Shri Sharad Dalmia and Shri Kishan Kumar Bhuwalka retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

11. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support, encouragement and co-operation extended by the financial institutions and Bankers of your Company. The Directors also record their appreciation for the dedicated services rendered by all ranks of the Company's personnel.

BY ORDER OF THE BOARD

Sd/-

PLACE : BANGALORE

(SURESH KUMAR BHUWALKA)

DATE : 30-03-98

MANAGING DIRECTOR



BHUWALKA STEEL INDUSTRIES LIMITED

AUDITORS' REPORT

THE MEMBERS OF M/s. BHUWALKA STEEL INDUSTRIES LIMITED BANGALORE

We have audited the attached Balance Sheet of **BHUWALKA STEEL INDUSTRIES LIMITED**, as at 31st December 1997 and also the profit and loss Account of the company for the period ended on that date, annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks and verifications of the books of accounts as we considered necessary and to the best of our knowledge and according to the information and explanations given to us during the course of audit, we enclose in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above,
 - 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 accounts as required by Law have been kept by the Company so far as appears from our examination of these books;
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion and to the best of our knowledge and according to the information and explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and subject to the Note No. 5(vi) (a) regarding non-provision of Gratuity Liability, Note No. 5 (vi) (f) non provisions of differential excise duty, note No. 5(vi) (g) non-provision for depreciation in the value of investment, Note No. 6(a) regarding non-provision of Power Charges and other notes in Schedule 19 give a true and fair view;
 - 1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 1997.
 - 2) In the case of the Profit and Loss Account, of the profit for the period ended on that date.

For **P. K. RUNGTA & CO.,**
CHARTERED ACCOUNTANTS
 Sd/-
(P.K. RUNGTA)
PROPRIETOR

PLACE : BANGALORE
 DATE : 30.03.1998

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITORS' TO THE MEMBERS OF M/S. BHUWALKA STEEL INDUSTRIES LIMITED, BANGALORE, ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997.

1. The company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets. The company has drawn up a programme of physical verification of fixed assets over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Fixed Assets were physically verified by the Management during the year and no material discrepancies have been noticed on physical verification.
2. None of the Fixed Assets have been revalued during the year.
3. Physical verification of Stock of Finished goods, work in process, stores & spares and raw materials was conducted by the management during the year and in our opinion, the frequency of verification was reasonable.
4. The procedures for physical verification of Stocks followed by the company are reasonable and adequate, commensurate with the size of the company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
7. As per the information and explanation furnished by the Management, the terms and conditions on which unsecured loans have been granted to the companies and other parties listed in the register maintained under section 301 of the companies Act, 1956 or the companies under the same management as defined under section