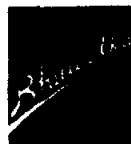


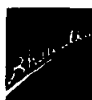
ANNUAL REPORT 2000 - 2001

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BHUWALKA STEEL INDUSTRIES LIMITED

"Bhuwalka Centre", No. 71, III Cross, Residency Road, Bangalore - 560 025.


**BHUWALKA
STEEL INDUSTRIES LIMITED**

BOARD OF DIRECTORS	:	Shri Suresh Kumar Bhuwalka Chairman & Managing Director	
		Shri Sajan Kumar Bhuwalka Shri Sushil Kumar Bhuwalka Shri Kamal Kumar Bhuwalka Shri Kishan Kumar Bhuwalka Shri Satish Gandhi	
VICE PRESIDENT (FINANCE) & COMPANY SECRETARY	:	P.K. Chamaria (w.e.f 01.07.2001)	
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	:	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 Changalpattu District Tamilnadu - 631 501
		3) at Plot Nos. 18 & 19 Tamaka Industrial Area Kolar - 563 101	6) 204, Mauji Khupri Taluka Wada District Thane Mumbai - 421 312
SHARE TRANSFER AGENTS	:	Alpha Systems Private Limited No. 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore-560 003.	

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on Wednesday, the 26th September, 2001, at 11.00 A.M. at Hotel Woodlands, No. 5, Sampangi Tank Road, Bangalore- 560 025 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts of the Company for the year ended 31st March 2001, together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri. Suresh Kumar Bhuwalka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Satish Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is hereby accorded for the re-appointment of Shri Suresh Kumar Bhuwalka as Chairman & Managing Director for a period of 5 years with effect from 01.04.2001 on a monthly remuneration of Rs.40,000/- and rent free furnished accommodation and such other benefits as per the company's rules wherever applicable".

"RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to alter, vary, and modify the terms and conditions of appointment of Shri Suresh Kumar Bhuwalka, from time to time, during his tenure as Chairman and Managing director of the Company including salary, perquisites, allowances payable to him, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule XIII and all other applicable provisions of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the Provisions of Section

198, 269, 309 and all other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is hereby accorded for the re-appointment of Shri Kishan Kumar Bhuwalka as Whole-Time Director for a period of 5 years with effect from 01.04.2001 on a monthly remuneration of Rs.20,000/- and rent free furnished accommodation and such other benefits as per the company's rules wherever applicable".

"RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to alter, vary, and modify the terms and conditions of appointment of Shri Kishan Kumar Bhuwalka, from time to time, during his tenure as Whole Time Director of the Company including salary, perquisites, allowances payable to him, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule XIII and all other applicable provisions of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to Section 293(1) (a) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to mortgage and/or charging by the Board of directors of the Company all or any of the movable or immovable properties both present and future or whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any financial institution(s), bank(s) persons(s) together with interest, costs, charges, expenses and any other money payable by the Company on such terms and conditions and in such form and manner as the Board of Directors of the Company may decide in the interests of the Company with full power and authority to the Board of Directors to do all such acts and things as may be necessary to implement this resolution"

Registered Office:
No.71, III Cross
Residency Road
Bangalore - 560 025
29th June, 2001

By order of the Board

SURESH KUMAR BHUWALKA
Chairman

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.



BHUWALKA STEEL INDUSTRIES LIMITED

3. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2001 to 26th September, 2001 (both days inclusive).
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.

Registered Office:
No.71, III Cross
Residency Road
Bangalore - 560 025
29th June, 2001

By order of the Board

SURESH KUMAR BHUWALKA
Chairman

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

ITEM NO. 5

Sri Suresh Kumar Bhuwalka, presently is the Chairman & Managing Director of the Company and he is looking after day to day management. Directors are proposing to re-appoint him as such for a further period of 5 years w.e.f. 01.04.2001 subject to approval of members at the annual general meeting on a monthly remuneration of Rs.40,000/-, rent free furnished accommodation and such other benefits as per the company's rules wherever applicable. He will also be eligible for provident fund, gratuity and encashment of leave at the end of the tenure of his office as per Company's rules.

The re-appointment of Sri Suresh Kumar Bhuwalka does not require the approval of Central Government, but is subject to consent of members in the general meeting. Board feel that re-appointment of Sri Suresh Kumar Bhuwalka as Chairman & Managing Director would be in the interest of the Company and therefore commends this resolution for your approval.

All the Directors except Sri Satish Gandhi are concerned or interested in this resolution.

ITEM NO. 6

Sri Kishan Kumar Bhuwalka, presently is the Whole Time Director of the Company and he is looking after day to day management of the manufacturing units in Bangalore. Directors are proposing to re-appoint him as such for a further period of 5 years w.e.f. 01.04.2001 subject to approval of members at the annual general meeting on a monthly remuneration of

Rs.20,000/-, rent free furnished accommodation and such other benefits as per the company's rules wherever applicable. He will also be eligible for provident fund, gratuity and encashment of leave at the end of the tenure of his office as per Company's rules.

The re-appointment of Sri Kishan Kumar Bhuwalka does not require the approval of Central Government, but is subject to consent of members in the general meeting. Board feel that re-appointment of Sri Kishan Kumar Bhuwalka as Whole-Time Director would be in the interest of the Company and therefore commends this resolution for your approval.

All the Directors except Sri Satish Gandhi are concerned or interested in this resolution.

ITEM NO.7

As a security for loans sanctioned/extended or to be additionally sanctioned/extended by the financial institutions or banks or others from whom the Company has availed financial assistance for its workings/operations/business in the form of term loans or working capital, the Company would be required to mortgage all the movable or immovable properties of the Company present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia, that the Board of Directors of a Public Company shall not, without the consent of such Public Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions/banks/others can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge.

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

Registered Office:
No.71, III Cross
Residency Road
Bangalore - 560 025
29th June, 2001

By order of the Board

SURESH KUMAR BHUWALKA
Chairman

ANNUAL REPORT 2000-2001

DIRECTORS' REPORT

TO THE MEMBERS OF
BHUWALKA STEEL INDUSTRIES LTD.

Your Directors have pleasure in presenting before you the Nineteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS
AND APPROPRIATIONS:

	(Rs.in Lakhs)	
	2000-01	1999-2000
Profit Before Interest,		
Depreciation and Taxation	1171.24	1834.45
Less:		
Interest	1395.24	1142.12
Depreciation	293.43	589.85
Net Profit/(Loss) for the year	(517.43)	102.48
Less:		
Income Tax for the year	—	11.84
Income Tax for earlier years	1.13	—
Add:		
Depreciation withdrawn for earlier years due to change in method	643.15	—
Balance of profit brought forward from last year	511.11	481.29
Appropriations:		
Transfer to Debenture Redemption Reserve	15.00	15.00
Transfer to Foreign Project Reserve	—	45.82
Balance of Profit carried forward	620.70	511.11

2. OPERATIONS REVIEW

Total income from operations during the year under review was Rs.255.66 crores as compared to 235.97 crores in the previous year showing a YOY growth of 8.35%. Company posted a loss of Rs.5.18 Crore as against Profit of Rs. 0.91 Crores in the previous year. During the year under review the profitability has been severely affected due to continued recessionary trend in the Steel Industry. Further, levy of excise duty on clearance of Rolled Products has changed to 'Advalorem basis' from 'Installed Capacity basis' w.e.f. 01.04.2000, which has adversely affected the profitability of the Company. However, during the current year market for long products in the Steel industry has shown positive divergence which will have favourable impact on the bottomline of the Company.

We have pleasure to inform you that modernisation and expansion plan at Wada Unit was completed and the project was commissioned on 1st June 2000. The plant could stabilise its operations in the first year itself and running satisfactorily.

Unit of the Wholly owned subsidiary in Srilanka for manufacture of 25,000 TPA of Billets and Rolled Steel Products has started commercial production during the year. This will drive the growth of the Company in years to come.

3. DIVIDEND

Your Directors express their inability to recommend any dividend in absence of sufficient profits.

4. SUBSIDIARY COMPANY

As required under section 212 of the Companies Act, 1956, the Audited Statement of Accounts along with the report of the Board of Directors of M/s. Bhawalka Steel Industries (Srilanka) Limited together with the Auditors' Report are annexed.

5. CONSERVATION OF ENERGY

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

6. TECHNOLOGY ABSORPTION

The Company is keeping abreast of the latest developments in product technology, manufacturing process and methods.

7. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Foreign Exchange Earnings and Expenditure are given under Note 10(F) and 10(G) of Schedule '19' forming part of the Accounts for the year ended 31st March 2001.

8. PERSONNEL:

Industrial Relations remained cordial through out the year.

There are no employees of the categories specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence, this information is not given.



BHUWALKA STEEL INDUSTRIES LIMITED

9. DIRECTORS :

Sri. Suresh Kumar Bhuwalka and Sri Satish Gandhi retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Shri Biharilal Saraogi, Shri C. Sudhakar Shetty and Shri N. Srinivasan resigned from the Board during the year. The Board places on record its appreciation for the valuable services rendered by them.

The Resolutions are being placed at this Annual General Meeting for the approval of the Shareholders as set out in the notice with explanatory notice thereof for the re-appointment of Sri Suresh Kumar Bhuwalka as Chairman & Managing Director and Sri Kishan Kumar Bhuwalka as Whole-Time Director of the Company.

10. AUDIT COMMITTEE:

In terms of Section 292A of the Companies Act, 1956, Company has constituted "Audit Committee" consisting of the following Directors:

1. Suresh Kumar Bhuwalka - CMD
2. Sajan Kumar Bhuwalka
3. Kamal Kumar Bhuwalka

11. AUDITORS:

The Auditors, M/s. P.K. Rungta & Company, Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

12. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) :

Your Directors hereby confirm:

- 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 judgements 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 or loss of the company for the year;
- c) that the directors had 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 the directors had prepared the annual accounts on a going concern basis.

13. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the continued support, encouragement and co-operation extended by the Financial Institutions, Bankers, shareholders, customers and suppliers.

Your Directors also place their appreciation on record of the contributions made by the employees of the Company at all levels.

For and on behalf of the Board

Bangalore
29th June, 2001

SURESH KUMAR BHUWALKA
Chairman & Managing Director

ANNUAL REPORT 2000-2001

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 MARCH, 2001 and also the Profit and Loss Account of the Company for the year 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, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2001 from being appointed as directors 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 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 (iii) (c) regarding change in method of providing depreciation on**

straight line method instead of written down method and resulting in profit, net blocks and reserves and surplus as on 31/03/2001 been higher by 971.94 lakhs. 5 (ix) (a) regarding non-provision of Gratuity Liability, Note No.5 (ix) (d) regarding non-provisions of differential excise duty, note No. 5 (ix) (e) non-provision for depreciation in the value of investment, Note No. 6 (a) regarding non-provision of Power Charges read with 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 March, 2001.
- 2) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

**For P.K.RUNGTA & CO.,
CHARTERED ACCOUNTANTS**

Bangalore
29th June, 2001

P.K.RUNGTA
Proprietor

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE
REPORT OF EVEN DATE OF THE AUDITOR'S TO
THE MEMBERS OF M/S. BHUWALKA STEEL
INDUSTRIES LIMITED, BANGALORE, ON THE
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,
2001.**

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.
2. None of the Fixed Assets have been revalued during the year.
3. No Physical verification of Stock of Finished goods, raw materials and stores & spares was conducted by the management during the year.
4. In our opinion, the valuation of Stocks is fair and proper in accordance with the normally accepted accounting principles.
5. As per the information and explanations furnished by the Management, the terms and conditions on which


**BHUWALKA
STEEL INDUSTRIES LIMITED**

- 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 370(1-B) of the Companies Act, 1956 is not prima facie prejudicial to the interest of the Company.
6. As per information and explanations furnished by the management, the Company has not taken any Unsecured Loan from the persons listed in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under same management as defined under sub-section (1-b) of section 370 of Companies Act, 1956.
 7. In respect of loans and advances in the nature of loans given by the Company were stipulations have been made, the parties have generally repaid the principal amount as stipulated and have also generally regular in payment of interest.
 8. According to the information and explanations given to us there are adequate internal control procedures, commensurate with the size of the company and the nature of its business for the sale of goods and purchase of raw materials, stores, including components, plant and machineries, equipment and other assets.
 9. The transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating to Rs.50,000/- or more in respect of each party, have been made at price which are reasonable having regard to the market prices of such goods and materials.
 10. As explained to us unserviceable or damaged stores have been determined by the management and where required, adequate provision has been made in the accounts for the loss arising on items so determined. There was no unserviceable or damaged raw materials and finished goods.
 11. In the case of public deposits received by the Company, the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act and the applicable rules framed thereunder have been complied with.
 12. As explained to us, the Company is maintaining reasonable records for the sale and disposal of realisable byproducts and scrap.
 13. The Company does have its own internal audit department.
 14. We have been informed by the management that the Central Government has not prescribed maintenance of Cost records for the year under review under Section 209(1) (d) of the Companies Act, 1956.
 15. As per the information and explanations furnished by the management, the Provident Fund and Employees State Insurance Fund dues have generally been regularly deposited with the appropriate authorities. There were no arrears of Provident Fund and Employees State Insurance as on 31st March, 2001.
 16. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which are outstanding for more than 6 months as on 31st March, 2001.
 17. Based on the test checks carried out by us and the information and explanations given to us no personal expenses have been charged to the Profit and Loss Account except those payable under contractual obligations and/or in accordance with the generally accepted business practice.
 18. The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
 19. In respect of service activities, the Company has reasonable system of recording receipts, issues and consumption of materials and stores commensurate with its size and nature of business along with a reasonable system for authorisation at proper level with necessary controls. The allocation of material and man hours consumed to relative jobs is not made by the management since it is insignificant but in our opinion control is exercised on total materials and labour consumed on job. The Company has a system of internal control commensurate with the size and nature of its business for service activities.
 20. In respect of trading activities of the company, there were no damaged goods.

**For P.K.RUNGTA & CO.,
CHARTERED ACCOUNTANTS**

Bangalore
29th June, 2001

P.K.RUNGTA
Proprietor

ANNUAL REPORT 2000-2001

BALANCE SHEET AS AT 31ST MARCH, 2001

PARTICULARS	Schedule No.	As at 31.03.2001 Rs.	As at 31.03.2000 Rs.
I. SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS :			
a. Share Capital	01	63,880,527.50	63,880,527.50
b. Reserves & Surplus	02	154,196,576.56	141,736,888.56
SUB - TOTAL		218,077,104.06	205,617,416.06
2. LOAN FUNDS :			
a) Secured Loans	03	912,193,654.93	852,980,552.74
b) Unsecured Loans	04	8,380,144.00	5,986,001.81
SUB - TOTAL		920,573,798.93	858,966,554.55
TOTAL		1,138,650,902.99	1,064,583,970.61
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS:	05		
Gross Block		646,500,349.78	613,423,963.54
Less: Depreciation		179,816,453.23	215,711,713.10
		466,683,896.55	397,712,250.44
2. INVESTMENTS	06	121,171,549.00	73,098,684.00
3. CURRENT ASSETS, LOANS AND ADVANCES:			
a. Inventories	07	378,471,266.16	442,669,243.48
b. Sundry Debtors	08	124,662,805.99	108,807,355.48
c. Cash and Bank Balances	09	6,836,290.22	13,425,555.04
d. Loans & Advances	10	112,938,795.78	140,624,433.89
SUB-TOTAL		622,909,158.15	705,526,587.89
LESS : CURRENT LIABILITIES AND PROVISIONS	11	72,961,455.71	113,132,798.72
NET CURRENT ASSETS		549,947,702.44	592,393,789.17
4. MISCELLANEOUS EXPENDITURE	12	847,755.00	1,379,247.00
TOTAL		1,138,650,902.99	1,064,583,970.61

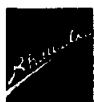
NOTES ON ACCOUNTS 19

SCHEDULES 1 TO 19 FORM THE INTEGRAL PARTS OF THE ACCOUNTS.

For and on Behalf of the Board

As per report of even date.

SURESH KUMAR BHUWALKA
Managing DirectorSAJAN KUMAR BHUWALKA
Directorfor P.K. RUNGTA & CO.,
Chartered Accountants.Bangalore
29th June, 2001L.R. NEELAKANTA
Company SecretaryP.K. RUNGTA
Proprietor


**BHUWALKA
STEEL INDUSTRIES LIMITED**
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

PARTICULARS	Schedule No.	For the year ended 31.03.2001 Rs.	For the year ended 31.03.2000 Rs.
INCOME:			
Sales & Other operational Income	13	2,543,025,428.91	2,334,325,546.22
Other Income	14	13,535,244.41	25,365,771.27
Variation in Stocks	15	53,765,921.68	(82,999,300.66)
TOTAL		2,610,326,595.00	2,276,692,016.83
EXPENDITURE :			
Manufacturing Expenses	16	1,873,741,022.66	1,785,304,233.54
Administrative & Selling Expenses	17	109,470,015.85	118,977,351.05
Interest	18	139,524,048.14	114,211,619.54
Depreciation for the year	05	29,343,197.80	58,985,031.10
Deferred Revenue Expenses Written off		531,492.00	531,492.00
Trading Purchases		232,155,857.15	160,045,276.23
Central Excise Duty		277,304,091.00	28,389,317.00
TOTAL		2,662,069,704.60	2,266,444,320.46
Profit/(Loss) for the year before Tax		(51,743,109.60)	10,247,696.37
Provision for Taxation		—	1,183,610.00
Income Tax for Earlier Years		112,681.00	—
Profit/(Loss) for the year after Tax		(51,855,790.60)	9,064,086.37
Depreciation withdrawn for earlier years (Refer Note No. 5(iii)(c) of Schedule 19)		64,315,478.60	—
Balance brought forward		51,110,906.19	48,128,819.82
Profit available for appropriation		63,570,594.19	57,192,906.19
APPROPRIATION :			
Transfer to Debenture Redemption Reserve		1,500,000.00	1,500,000.00
Transfer to Foreign Project Reserve		—	4,582,000.00
Balance Carried to Balance Sheet		62,070,594.19	51,110,906.19
TOTAL		63,570,594.19	57,192,906.19

NOTES ON ACCOUNTS

19

SCHEDULES 1 TO 19 FORM THE INTEGRAL PARTS OF THE ACCOUNTS.

For and on Behalf of the Board

As per report of even date.

SURESH KUMAR BHUWALKA
Managing Director

SAJAN KUMAR BHUWALKA
Director

for P.K. RUNGTA & CO.,
Chartered Accountants.

Bangalore
29th June, 2001

L.R. NEELAKANTA
Company Secretary

P.K. RUNGTA
Proprietor