

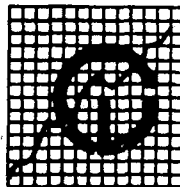
MD	✓		BKC	✓
CS	✓		DPY	AA
RO	✓		DIV	AA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

11th

Annual Report

1997-1998

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C.V. STEELS LIMITED



C.V. STEELS LIMITED

BOARD OF DIRECTORS

Shri C.P. Jindal — Managing Director

Shri Jagdish Rai

Shri Rajesh Kumar Garg

Shri Ajay Kumar Jindal

Shri L.K. Malhotra

Shri Niranjana Singh Khurana
(Nominee, RILCO Ltd.)

Shri Abey Kumar Goyal

SECRETARY
Shri A.K. Midha

AUDITORS

M/s Mithan Gupta & Company
Chartered Accountants

BANKERS

Punjab National Bank

REGD. OFFICE & WORKS

E-368, Industrial Area,
Bhiwadi, Distt. Alwar
Pin - 301 019

✓ SER
11/8/96

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**NOTICE**

Notice is hereby given that the 11th Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at E-368, Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan on Wednesday, the 30th September, 1998 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 1998 and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri L.K. Malhotra who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :
Resolved that consent of the shareholders of the company be and is hereby accorded in terms of Section 61 of the Companies Act, 1956 and other applicable provisions if any, for authorising the Board of Directors of the company to vary the terms of the issue of the Prospectus dated 21/25.11.94 so as to enable the Board of Directors of the company, at their sole discretion to delist the Equity Shares in one or more Stock Exchanges.

By Order of the Board

Bhiwadi, 30th June, 1998

(A.K. Midha)
Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and on a poll to vote instead of himself. Proxy need not be a member of the Company. Proxy form duly completed should be deposited at the Registered Office of the Company at least 48 hours before the meeting.
2. Share holders desiring any information as regards the Accounts are requested to write to the company at an early date so as to enable the Management to keep the information ready.
3. The Register of members will remain closed from 22-9-98 to 30-9-98 both days inclusive.
4. Members are requested to bring their copies of Annual Report at the meeting.
5. Members/Proxies are requested to bring with them the attendance slip and hand over at the entrance duly signed by them.
6. Explanatory statement pursuant of Section 173(2) of companies Act, 1956 is given hereto.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956.

REGARDING ITEM NO. 4

As the members are aware, for the time being the shares of the company are listed with the Stock Exchanges at Jaipur, Bombay, Calcutta, Delhi and Madras. The experience has shown that, in some Stock Exchanges no trading in shares takes place. Even, if the trading takes place it is for insignificant volume. Therefore, no useful purpose is served, by listing the shares in Stock Exchanges where the trading takes place for insignificant volume. The continuance of listing arrangements with such Stock Exchanges therefore can be said to have served no useful purpose. Hence as provided in Section - 61, the Board of Directors of the company are being authorised to delist the shares in some of the stock exchanges so as to vary the terms of the issue of the prospectus dated 21/25.11.94.

By order of the Board

Bhiwadi 30th June, 1998

(A.K. Midha)
Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

1. FINANCIAL HIGHLIGHTS

The financial results are as follows :-

Particulars	(Rs. in lacs)	
	Year ended 31.3.1998	Year ended 31.3.1997
1. Sales	788.09	924.82
2. Others Income	2.87	1.07
3. Total Expenditure	849.80	883.34
4. Profit / (Loss) before Interest Depreciation & Tax	(58.84)	42.55
5. Interest	22.42	21.51
6. Depreciation	10.98	10.73
7. Tax	-	-
8. Net Profit / (Loss)	(92.24)	10.31
9. Paid-up Equity Share Capital	513.13	513.13
10. Reserves	32.32	115.39
11. Profit & Loss A/c (Loss)	(9.16)	-

The Sales and other income for the financial year under review are Rs. 790.96 lacs against Rs. 925.89 lacs for the previous financial year indicating a decrease of 14.57%. This decline in sale is mainly due to recession in steel industry & overall economy. The Rajasthan State Electricity Board have adopted negative attitudes towards steel industry and have imposed undue & unjustified demands. There is a dispute about payment of electricity dues going on between the company and RSEB. The Company is not functioning since 8th June 1998. The company has filed cases against the RSEB and the directors hope that the company will soon commence its production.

2. PROGRESS OF THE ROLLING MILL PROJECT

As the members know that the Company had already acquired land approximate 12000 sq. meters for the project. Building and Shed work is complete and major parts of the Machineries have been installed while some minor machineries are under installation. The company has already deployed its own sources on the Project and also Rs. 91.21 lacs obtained from RIICO Ltd. The production of first phase of the project will be commenced in Nov. 98. The Project is delayed due to negative attitude of RSEB to give the power connection for the Rolling Project. Now the company has planned to start the Project without obtaining Power Supply from RSEB by installation of generator. The company is negotiating deals for the same.

3. DIVIDEND

There being no profit during the year hence no dividend is recommended.

4. DISCLOSURE UNDER CLAUSE 43 OF THE LISTING AGREEMENT

The comparison of the projections made in the prospectus dated 21/25.11.94 and actual performance as to the profitability achieved during the year 1997-98 as well as utilisation of funds are set out below :

Particulars	(Rs. in lacs)	
	Projections	Actuals
1. Sales	5102.93	788.09
2. Others Income	0.95	2.87
3. Total Expenditure	4688.06	849.80
4. Profit / (Loss) before Interest Depreciation & Tax	415.82	(58.84)
5. Interest	64.08	22.42
6. Depreciation	44.28	10.98
7. Provision for Taxation	100.26	-
8. Net Profit / (Loss)	207.20	(92.24)
9. Paid-up Equity Share Capital	513.00	513.13
10. Reserves	-	32.32
11. Profit & Loss A/c (Loss)	-	(9.16)

Note : Projections were effected due to delay in implementation of rolling mill project & recession in industry.

UTILISATION OF FUNDS

	(Rs. in lacs)
1. Land & Site Development	35.36

C.V. STEELS LIMITED

2. Buildings	74.71
3. Plant & Machinery and Miscellaneous Fixed Assets including advances	310.94
4. Preliminary, Pre-operative & Public Issue Expenses	93.25
5. Cash and Bank Balances etc.	0.57

5. DIRECTORS

Sh. L.K. Malhotra, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

6. PERSONNEL

During the year under review the relationship between management, officers, staff and workers remained cordial. The Directors would like to express their appreciation to all sections of the Company's Staff for their contribution. The company has no employees in respect of whom, the provisions of section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975, are applicable.

7. DISCLOSURE OF PARTICULARS

Information as per the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgoings are given in Annexure forming part of this report.

8. AUDITORS

M/s Mithan Gupta & Company Chartered Accountants, auditors of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offers themselves for re-appointment u/s 224 (1B) of the Companies Act, 1956.

9. APPRECIATION

The Directors wish to place on record their appreciation of the valuable support given by Bankers, Financial Institutions, Customers and Shareholders.

For and on behalf of the Board

(C.P. Jindal)

Managing Director

Bhiwadi, 30th June, 1998

ANNEXURE OF THE DIRECTORS REPORT**A. CONSERVATION OF ENERGY**

(a) Energy conservation measures taken	The furnace installed in built gadgets for conservation of energy
(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy	Nil
(c) Impact of the measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods	Nil
(d) Total Energy Consumption and Energy Consumption per unit of production as per Form A as set out below.	—

B. TECHNOLOGY ABSORPTION

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGOING

Nil

FORM - A**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT**

Particulars	Year ended 31.3.1998	Year ended 31.3.1997
a) Power & Fuel Consumption		
1. Electricity Purchased Unit	12599880	8183880
Total Amount (Rs.)	3,50,28,409.61	2,48,82,884.75
Rate per unit (Rs.)	2.78	3.04
2. Other/Own generation	Nil	Nil
3. Coal	Nil	Nil
4. Furnace Oil	Nil	Nil
b) Consumption per MT of production		
1. Electricity (Rs.)	4773.62	4495.30
2. Coal (Rs.)	Nil	Nil
3. Furnace Oil (Rs.)	Nil	Nil
4. Others (Rs.)	Nil	Nil

For and on behalf of the Board

(C.P. Jindal)

Managing Director

Bhiwadi, 30th June, 1998