



27th
Annual
Report
1999-2000

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CANARA STEEL LIMITED



Canara Steel Limited

REGD.OFFICE : SYNDICATE HOUSE, UPENDRA NAGAR, MANIPAL - 576 119

TWENTY SEVENTH ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS

Chairman	SRI.T.RAMESH U.PAI
Managing Director	SRI.A.K.SINHA
Directors	SRI.T.SUDHAKAR PAI SRI.S.SANTHANARAMAN SRI.K.K.RAO
Registered Office	Syndicate House, Manipal - 576 119 Udupi District
Works	1. Industrial Area, Baikampady Mangalore - 575 011, D.K. 2. Rolling Mill Division, Lohanidhi Yeyyadi Padavu, Konchady P.O. Mangalore - 575 008, D.K.
Auditors	KAMATH & RAU Chartered Accountants, Mangalore - 575 003, D.K.
Bankers	STATE BANK OF INDIA

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of the Canara Steel Limited will be held at Manipal Pre-University College Auditorium, Manipal - 576 119 on Saturday the 30th September, 2000 at 3.00 P.M. to transact the following businesses:

AS ORDINARY BUSINESSES:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000, and Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors.
2. To appoint a director in place of Sri.T.Sudhakar Pai, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- b. The instrument of proxy must reach the Registered Office of the Company, duly completed, not less than 48 hours before the time fixed for commencement of the meeting.
- c. The Register of Members and Share Transfer Books of the company will remain closed from 26th September, 2000 to 2nd October, 2000.
- d. Members are requested to kindly bring their copies of the Annual Report to the meeting.
- e. Members are requested to kindly notify any change in address immediately to the Company's Registered Office at Manipal.

Regd.Office: "Syndicate House"
Manipal - 576 119.

By the order of the Board of Directors

Sri. A.K. Sinha
Managing Director

Date: 30th August,2000



Canara Steel Limited

DIRECTORS' REPORT

To the Members,

The Directors hereby present the 27th Annual Report on the business and operations along with audited statement of accounts of your Company for the year ended 31st March 2000.

Financial Results

	Year ended 31st March 2000 (Rs. in Lacs)	Year ended 31st March 1999 (Rs. in Lacs)
Sales & Other Income	244.92	40.57
Profit/Loss (-)	71.47	(-) 414.50
Before interest and depreciation		
Less : Interest	78.38	138.08
Depreciation	30.46	32.94
Profit/Loss (-)	(-) 37.37	(-) 585.52
For the year		
Add : Surplus/Deficit (-)	(-) 1363.40	(-) 777.88
Of previous year		
	(-) 1400.77	(-) 1363.40

Operations

Closure of your factory operations resulted in no production activity during the year.

The turnover of the Company was Rs.244.92 Lacs as against Rs.40.57 lacs in 1998-99. The Loss for the year is Rs.37.37 Lacs as against Rs.585.52 Lacs in the year 1998-99.

Reference to BIFR

Your company was declared a Sick Industrial Company as per Section 3 (1) (a) of Sick Industrial Companies (Special Provisions) Act, 1985. The Board for Industrial & Financial Reconstruction (BIFR) has appointed The State Bank of India as an operating Agency. As per the directions of the BIFR your Company's Board considered all avenues of reviving your Company but finally concluded that revival is not possible at present power tariff in the State. Accordingly, the Company in consultation with the operating agency forwarded an application to the BIFR seeking permission to sell the assets of the Company and settle the dues of secured creditors.

Fixed Deposits

6 fixed deposits with the Company amounting to Rs.0.60 Lacs were outstanding as on 31st March, 2000. All these fixed deposits matured but remained unclaimed.

Particulars of Employees

The particulars of Employees drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto.

Directors :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri T.Sudhakar Pai retires by rotation and is eligible for reappointment.

The Industrial Development Bank of India has withdrawn the nomination of Sri.P.Mohanram from the Board of your Company. Consequent to this withdrawal Sri.P.Mohanram ceases to be a Director of your Company.

Section 217(1) (e) of the Companies Act, 1956 :

Since there was no production activity or power consumption during the year, information relating to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo" in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, is not presented

Auditors And Auditor's Report



Canara Steel Limited

Messrs Kamath & Rau retire as Auditors of the Company and being eligible, have indicated their availability for reappointment as Auditors for the year 2000-01.

With reference to the Auditors observations under "Manufacturing & Other Companies (Auditor's Report) Order, 1988" in Paragraph (xii) the necessity of an Internal Audit System was not felt as the company's production operations already ceased.

With reference to the observation in Para (xiii) complete stoppage of company's operations have resulted in delay in deposit of PF & ESI dues. However, there have been no arrears as at the end of the financial year.

Acknowledgement:

Your Directors take this opportunity to express their sincere gratitude to the Government of India, Government of Karnataka, Industrial Development Bank of India, State Bank of India, Maha Rashtra Apex Corporation and other institutions for their continued assistance and active support in the activities of the Company. Your Directors also wish to place on record their appreciation of the dedicated services rendered by the employees of the Company during the year under review and look forward to receiving their continued co-operation in future also.

Your Directors take this opportunity to express their sincere gratitude to Sri.P. Mohanram for his contributions & co-operation in the Management of the Company.

For and on behalf of the Board of Directors

Mangalore - 575008

Date : 30th Aug.2000

T.SUDHAKAR PAI

Director

A.K.SINHA

Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Statement showing the particulars of Employees of the Company as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Board of Directors Report for the year ended 31st March, 2000.

Name	: Sri.A.K. Sinha
Designation	: Managing Director
Age	: 59 years
Qualification	: B.E. (Metallurgy)
Experience	: 37 Years
Previous Employment	: CEO, Sesa Goa Industries Ltd., Goa
Date of Commencement	: 26.6.1996
Nature of Employment	: Contractual
Remuneration	: 357600/-

Note : The remuneration includes Salary, Provident Fund Contribution, Value of perquisites, Medical Reimbursement and Leave Travel Allowance.