



K. B. STEEL LIMITED

**19TH
ANNUAL REPORT
2001-2002**

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K. B. STEEL LIMITED

19th ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS

SHRI. KAUSHIK B. KANSARA

SHRI. ANIL H. PATEL

SHRI. GAUTAM V. MODI

REGISTERED OFFICE

5, MAHAVIR CHAMBER, 2ND FLOOR, 1/5, BANAJI LANE, FORT, MUMBAI 400 001.

WORKS AND AHMEDABAD OFFICE

55/2/3, G.I.D.C.ESTATE, OPP. BANK OF INDIA,

VATVA, AHMEDABAD - 382 445

REGISTER & TRANSFER AGENT

PURVA SHAREGISTRY (INDIA) PVT. LTD.

33,Printing House, 28-D, Police Court Lane, FORT, MUMBAI 400 001.

BANKERS

BANK OF INDIA

AUDITORS

J. B. DUDHELA & CO.

CHARTERED ACCOUNTANTS

COMPANY LAW ADVISOR

R. N. SHAH & ASSOCIATES

COMPANY SECRETARY

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K. B. STEEL LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Members of **K. B. STEEL LIMITED** will be held on Saturday, the 21st September, 2002 at 10.30 a.m. at 12, Ashok Niwas, South Pond Road, Vile Parle (West), Mumbai - 400 056 to transact the following business :-

I. ORDINARY BUSINESS :-

1. To receive, consider and adopt the Directors' and Auditors' Reports and Audited Balance Sheet as on 31st, March, 2002 and Profit and Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Kaushik B. Kansara, who retires by rotation and being eligible, offers himself for reappointment.

II. SPECIAL BUSINESS :-

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

"RESOLVED THAT Mr. Gautam Modi be and is hereby appointed as a Director of the Company."
4. To consider and if thought fit, to pass, with or without modification following resolution as an Ordinary Resolution,

"RESOLVED THAT Mr. Anil Patel be and is hereby appointed as a Director of the Company."
5. To consider and if thought fit, to pass, with or without modification the following resolution as a "Special Resolution".

"RESOLVED THAT pursuant to the provision of section 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Shri J. B. Dudhela, Proprietor of M/s. J. B. DUDHELA & CO., Chartered Accountants, a relative of Shri Kaushik B. Kansara, Directors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting as Auditors of the Company and/or for rendering any other professional services on such terms as may be agreed by the Board of Directors."

6. To consider and if thought fit, to pass, with or without modification the following resolution as a "Special Resolution".

(This item will be transacted through postal ballot as required under Section 192A of the Companies Act, 1956 and the Rules framed thereunder. The result of the postal ballot will be announced at the AGM.)

"RESOLVED THAT pursuant to the provision of section 17 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 that the Memorandum of Association of the Company be and is hereby altered by adding the following Sub-Clause 104 to 106 after the existing Sub-Clause 103 of the Clause III C of the Memorandum of Association of the Company :

104 To manufacture, buy, sell, deal in, distribute, represent, import,

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export, alter, convert, process, treat, design and produce softwares including Animation films, hardware, computer, electronic and tele communication equipments, and run cybercafes, computer networking, video game parlours, entertainment centres, telecom, microwave, fiber-optic and business as electronic and system engineers.

105 To carry on the business of establishing, running and maintaining various types of IT Education Classes and Courses, contact centres, multimedia centres, call centres, data processors, Designing and running cybercafes, networking, telecom, wheather Switch based or server based or voice based or e-mail based or data based, web enabled VoIP based, wireless based or any other Technology and wheather domestic or International and to engage in all areas of information technology enabled services wheather existing as now or may be evolved at any time in the future including but not limited to medical transcription, data centres, data minining, data conversation, data entry, digital pages, security systems, HR Services, animation, remote processing, distance learning, back office operations, image enabled Mailroom Operations, Record Archives and Retrieval, Back End Audit and Account Processing, Insurance Processing, Banking Processing in addition, to Revenue Accounting.

106 To carry on the business of a film laboratory or printing, developing, processing, preserving, protecting, editing and blowing up cinematographic films and to carry on the business of

manufacturers, producers, exporters, importers, hirers, dealers, distributors and exhibitors of raw films, chemicals, photographic and optical goods cinematographic films, video cassettes, apparatus, recorders, machinery and equipments pertaining to or required for the film developing, printing, processing, protecting, editing, sound recording, rerecording, transferring films to video, duplicating video, duplicating video cassettes, disc or any format and to edit various formats and to arrange to produce, secure, process, acquire, retain, purchase, publish, dispose off and distribute advertisement films, TV serials, Feature Films, Commercial Films, Tele Films and programs of educational, cultural, devotional, industrial, health, entertainment, family welfare, tourism, Government and of other subjects of interest."

7. To consider and if thought fit, to pass, with or without modification following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 149(2-A) and all other applicable provisions, if any of the Companies Act, 1956, that the Company hereby approves the commencement and execution of all or any of the business and activities covered by new Sub Clause No. 104 to 106 of the Clause III(C) i.e. Other objects Clause of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors."

K. B. STEEL LIMITED

**BY ORDER OF THE BOARD OF
DIRECTORS**

KAUSHIK B. KANSARA
MG. DIRECTOR

REGISTERED OFFICE :
MAHAVIR CHAMBERS, OFF. NO. 5,
2ND FLOOR, 1/5, BANAJI LANE,
FORT, MUMBAI - 400 001.

MUMBAI
DATED : 31ST JULY, 2002.

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. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business under Item No. 3 to Item No. 7 as set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the company will remain closed from Monday, 16th Day of September, 2002 to Saturday, 21st Day of September, 2002 (Both Days Inclusive).
5. ANNUAL REPORT FOR THE YEAR 2001-2002 WILL BE DISPATCHED TO THE MEMBERS SEPARATELY.
6. In all correspondence with the Company, members are requested to quote their Folio Numbers and in case the shares are held in the dematerialised Form, they should quote their client ID Number and DP ID Number.
7. Members, who hold shares in De-materialised Form are requested to bring their client ID and DP Numbers for Easier Identification of Attendance at the meeting.
8. Share holders are requested to note that if physical documents, viz. Demat Request Forms (DRF) and share certificates, etc. are not received from their DP's by the Company/Registrar within a period of 30 Days From The date of Generation of the DRN for Dematerialisation, the DRN will be treated as Rejected/Cancelled. Upon Rejection/Cancellation of the DRN, A fresh DRF has to be forwarded alongwith the share certificates by the DP's to the Company/Registrar. This notice is only to caution shareholders that they should ensure that their DP's do not delay in sending the DRF and Share Certificates to the Company/Registrar after generating the DRN.

K. B. STEEL LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE NOTICE DATED 31ST JULY, 2002**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in accompanying Notice dated 31st July, 2002 and shall be taken as forming part of the Notice.

IN RESPECT OF ITEM NO. 3 & 4:-

Mr. Gautam Modi & Mr. Anil Patel were appointed as Additional Directors of the Company on 31st January, 2002. In accordance with Section 260 of the Companies Act, 1956 they will hold office upto the date of the ensuing Annual General Meeting of the Company. In terms of section 257 of the Companies Act, 1956 the Company has received notices from the shareholders along with the requisite deposits specifying their intention to propose Mr. Gautam Modi & Mr. Anil Patel as candidates for the office of the Directors. Mr. Gautam Modi & Mr. Anil Patel have given their consent to act as directors of the Company, if appointed, at the forthcoming Annual General Meeting.

The Board of Directors considers that it would be in interest of the Company to continue to avail of the services of Mr. Gautam Modi & Mr. Anil Patel as Directors of the Company and therefore recommended their appointment.

None of the Directors other than Mr. Gautam Modi & Mr. Anil Patel are concerned or interest in the Resolution relating to their appointments.

IN RESPECT OF ITEM NO. 5:-

Shri J. B. DUDHELA, Proprietor of M/S. J. B. DUDHELA & CO., Chartered Accountants, retiring auditors of the Company is related to Shri Kaushik B. Kansara, Managing Director of the Company. Pursuant to the provision of Section 314(1) of the Companies Act, 1956 consent of the Shareholders is required to be accorded at a General Meeting of the Company for appointment of M/S. J. B. DUDHELA & CO., Chartered Accountants, as the Auditors of the Company

to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting. It will be in the interest of the Company to appoint them as Auditors of the Company.

IN RESPECT OF ITEM NO. 6 :-

For quite sometimes seeing the rapid growth and immense potential of the Information Technology Industry, Film production & development Industry, the Board of Directors of the Company had been considering to undertake business of Computer Hardware and Software Technology/Development, Communication and Production & Developments of Film including Tele Film business. The new objects which are proposed for the same are in line of the proposed business by the company. Therefore, the Board proposes to amend the Memorandum of Association of the Company as set out in Item No. 6 of the Notice.

As per the provisions of Section 17 read with Section 192A of the Companies Act, 1956 and rules framed there under, the object clause of the Memorandum of Association can be amended only by a Special Resolution passed by the members through postal ballot. The Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Rajnikant N. Shah, proprietor of M/s R.N. SHAH & ASSOCIATES, Company Secretaries as Scrutiniser for conducting the postal ballot process in a fair and transparent manner. Please read carefully the instructions printed in the Postal Ballot Form and return the Form duly complete in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutiniser on or before 16th September, 2002.

The Scrutiniser will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced by the Chairman in the 19th Annual General Meeting.

A copy of the Memorandum of Association and Article of Association of the Company together with the proposed changes is available for inspection at the Registered

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Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day.

Your Board recommends the resolution for your approval.

None of the Directors is interested in the resolution.

IN RESPECT OF ITEM NO. 7 :-

Section 149(2A) of the Companies Act, 1956 require approval of the shareholder for the Commencement of any new business. Accordingly, the Board seek the approval of the members for commencement of new business as set out under new sub-clauses 104 to 106 of Clause III (C) of Memorandum of Association.

It would be in the interest of the Company to commence the new business as soon as practicable, after the approval of the New objects by the members.

Your Board recommends the resolution for your approval.

None of the Directors is interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

KAUSHIK B. KANSARA
MG. DIRECTOR

REGISTERED OFFICE :

MAHAVIR CHAMBERS, OFF. NO. 5,
2ND FLOOR, 1/5, BANAJI LANE,
FORT, MUMBAI - 400 001.

MUMBAI

DATED : 31ST JULY, 2002.

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K. B. STEEL LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report, together with Audited Statement of Accounts for the year ended 31st March, 2002.

1) FINANCIAL RESULTS :

	For the Year ended 31/03/2002	For the Year ended 31/03/2001
Sales & Other Income	6,60,391	48,61,616
Gross Profit/(Loss)	1,06,357	(17,69,378)
Less :		
Depreciation	33,444	1,13,369
Profit/(Loss) Before Tax	72,913	(18,82,747)
Provision for Taxation	—	—
Net Profit/(Loss) After Tax	72,913	(18,82,747)
Balance brought from previous Year	(15,99,779)	2,70,589
Income Tax Adjustment of prior Years	—	12,379
Balance carried to Balance Sheet	(15,26,866)	(15,99,779)

2) DIVIDEND :

Your Directors regret their inability to recommend any dividend for the declaration, due to carried forward loss of Rs. 15,26,866/-.

3) WORKING RESULTS :

Due to growing competition alongwith overall recession in the Industry, the turnover for the year amounted to Rs. Nil compared to Rs. 46,35,113/- in the previous year. The Company earned a net profit of Rs. 72,913/- which is mainly comprises of commission income and profit on sale of assets as against a Net loss of Rs. 18,82,747/- in the previous year.

As the no business activity being carried out by the Company a part of the Plant & Machinery have been sold off and the sale proceeds have been invested profitably.

4) ALTERATION TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY :

Addition of the new subclauses 104, 105 and 106 of the Object Clause of the Memorandum of Association of the Company to undertake business of Computer Hardware and Software Technology / Development and communication business, Manufacturing and Processing of Films and Tele-films and all other related activities mentioned in new subclauses of Memorandum. Your Directors, therefore, recommend passing of the Resolutions set out in Item No. 6 and 7 of the Notice through Postal Ballot.

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5) FIXED DEPOSITS :

The Company has not taken any money by way of Fixed Deposits from Shareholders or public.

6) DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

7) PERSONNEL :

As no employee has drawn remuneration of Rs. 12,00,000/- or more per annum or Rs. 1,00,000/- or more per month if employed for the part of the Year. Therefore, no information is furnished herewith as required as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

8) DIRECTORS :

Mr. Kaushik B. Kansara, Managing Director of the Company retires by rotation as required by the Companies Act, 1956 and as per the provisions in the Articles of Association of the Company and is being eligible for re-appointment.

Mr. Gautam Modi and Mr. Anil Patel were appointed as additional Directors of the Company. In accordance with Section 260 of the Companies Act, 1956 they all hold office upto the date of forthcoming Annual General Meeting. Notices have been received u/s 257 of the Companies Act, 1956 alongwith the requisite deposit from shareholders proposing Mr. Gautam Modi and Mr. Anil Patel as candidates for the office of Director.

9) AUDITORS :

M/s. J. B. DUDHELA & CO., Chartered Accountants, Auditors of the Company holds office until the conclusion of the 19th Annual General Meeting and are recommended for reappointment. The Company has received Certificate from Auditors to the effect that reappointment if made would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956.