

MD	<input checked="" type="checkbox"/>		BKO	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RC	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
BE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



# MARMAGOA STEEL LIMITED

Report  junction.com

*Report & Accounts, 1997*



# MARMAGOA STEEL LIMITED

## BOARD OF DIRECTORS

A. G. Poy Raiturcar (Chairman)  
 P. G. Chitale  
 V. Madhusudhan  
 P. Ramesha Kumar (Nominee IFCI)  
 R. K. Radhakrishna (Executive Director)

## COMPANY SECRETARY

S. Ranganathan

## AUDITORS

M/s. Kamath & Rau,  
 Chartered Accountants,  
 Mangalore.

## BANKERS

State Bank of India  
 State Bank of Mysore  
 The Catholic Syrian Bank Ltd.  
 Bank of Maharashtra

## REGISTRARS & SHARE TRANSFER AGENTS

Kavy Consultants Limited,  
 7, Andheri Industrial Estate,  
 Off Veera Desai Road,  
 Andheri (W),  
 MUMBAI - 400 058.

## REGISTERED OFFICE

Survey No. 280,  
 Eclate,  
 Curtorim, Salcette,  
 Goa - 403 709

will be  
 Eclate

Off

1. Te

c

2. T

re

3. T

Ma

SPF

4. Tc

re

"r

be

re

1

19

a

Di

C

Register

Survey

Eclate,

Salcete

Date: 3

Note :

1. Ex

u

2. A

or

br

3. Th

1



## MARMAGOA STEEL LIMITED

### NOTICE TO THE MEMBERS

Notice is hereby given that the 10th Annual General Meeting of the Members of Marmagoa Steel Ltd. will be held on Saturday, the 16th August 1997 at 4.30 P.M. at the Registered Office, Survey No. 280, Eclate, Curtorim, Salcette, Goa to transact the following business as

#### ORDINARY BUSINESS:

1. To receive and adopt the Audited Statement of Accounts for the year ended 31-3-1997 and to consider the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. G. Chitale who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and fix their remuneration : M/s. Kamath & Rau, Chartered Accountants, Mangalore retire and are eligible for reappointment.

#### SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolution as Special resolution:  
 "Resolved that Mr. R. K. Radhakrishna who has been appointed as an Executive Director and being an Additional Director whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing the candidature, approval be and hereby granted under sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 for the appointment of Mr. R. K. Radhakrishna as Executive Director within the meaning of Whole-time Director under the Companies Act, 1956 from and in terms of the contract signed between the Company and the Executive Director, whose period of office shall be liable to retirement by rotation".

Registered Office :  
 Survey No. 280,  
 Eclate, Curtorim,  
 Salcette - Goa.

By Order of the Board

Date: 30-06-1997

**S. RANGANATHAN**  
 Company Secretary

#### Note :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under item No. 4 above is annexed herewith.
2. A member entitled to attend and vote, is entitled to appoint one or more proxies to attend and to vote instead of himself, and such proxy need not be a member. Proxy may be appointed in the enclosed form and should be deposited at the Registered Office of the Company atleast 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company, will remain closed from 10th August 1997 to 16th August 1997 (both days inclusive).



## MARMAGOA STEEL LIMITED

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No. 4

1. The Board of Directors of our Company appointed Mr. R. K. Radhakrishna as Additional Director, as per the Articles of Association of the Company. Thereupon the Board appointed Mr. R. K. Radhakrishna as Executive Director within the meaning of Whole-time Director by virtue of a contract entered into by the Company with the said Mr. R. K. Radhakrishna. The appointment takes effect from 8th April 1997 and is subject to the approval/ratification of the shareholders.
2. The contract entered into by the Company appointing the whole time Director is open for inspection at the registered office of the Company during the normal office hours. As required under section 302(1) of the Companies Act, 1956 the abstract of the terms of the contract together with a memorandum stating the nature of the concern or interest of the Director in such contract was sent to every shareholder.
3. As per provisions of section 260 of the Companies Act, 1956 he holds office as a Director. The appointment of Mr. R. K. Radhakrishna as Executive Director within the meaning of whole-time Director fulfills all conditions laid down under Schedule XIII to the Companies Act, 1956 and therefore does not require the approval of the Central Government. The directorship of Mr. R. K. Radhakrishna is liable to retirement by rotation and he ceases to be the whole-time Director when his term expires and is subject to re-election each time his term expires.
4. The Company has received a notice alongwith the required deposit of Rs. 500/- under section 257 of the Companies Act, 1956 proposing Mr. R. K. Radhakrishna as a Director of the Company.
5. The approval of the shareholders is sought under section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956 for ratification of the appointment of Mr. R. K. Radhakrishna as the Executive Director within the meaning of whole-time Director of the Company.
6. Mr. R. K. Radhakrishna is interested and concerned in the resolution as it relates to his appointment and payment of remuneration. None of the other Directors are interested in the resolution.

By order of the Board

**S. RANGANATHAN**  
Company Secretary

Place: Curtorim  
Date: 30-06-1997

Dear Sha  
Yot  
for the y  
FINANCIA

Net Sales  
Interest  
Power s  
Profit be  
Interest  
Prior per  
Deprec  
Profit/(L  
Provisio  
Profit/(L  
In view  
was hi  
written r  
OPER

about 4  
the re  
has re  
subst  
grad  
The tu

whic  
on the

sell  
indust  
pro  
the a  
Mare  
pro

at  
an  
Com  
hi  
follo



## MARMAGOA STEEL LIMITED

### DIRECTORS' TENTH ANNUAL REPORT

Dear Shareholders,

Your Directors are pleased to present the Tenth Annual Report alongwith the audited Statements of Accounts for the year ended 31st March, 1997.

#### FINANCIAL RESULTS:

	1996-97 (Rs. in lacs)	1995-96 (Rs. in lacs)
Net Sales	6027.36	5017.50
Interest & Other Income	75.15	63.01
Power subsidy	-	204.00
Profit before Interest and Depreciation	766.72	395.86
Interest	552.42	400.38
Prior period adjustments	(49.08)	8.47
Depreciation	173.36	163.69
Profit/(Loss) before tax after writing off preliminary expenses	14.79	(159.74)
Provision for taxation	2.00	-
Profit/(Loss) after tax	12.79	(159.74)

In view of the profits of the year, the Directors have chosen to bring into books the provision for gratuity which was hitherto not provided. The preliminary expenses which are normally amortised over several years have been written off against the profits of the year.

#### OPERATIONS:

Your Directors have pleasure to announce that the Company had during the year under review produced about 41,000 tons of Billets and 25,950 tons of Rolled Products. Our Company has been immensely benefited by the revamping of the Rolling Mill which included modified pass designs and installation of additional facilities. This has resulted in a 89% increase in the production of Rolled Products. The quality of the production has also improved substantially and this has helped in widening the market base of the Company's products. We have added different grades of Rolled Products like Rounds, Hexagons and RCS which were hitherto not marketed by the Company. The turnover of Rs. 60 crores during the year reflects a 20% increase in value terms.

Upto the date of this report the Company has also successfully exported three consignments of flat products which is a record in itself. The Company expects to book further export orders and increase its sales and capitalise on the export incentives offered by the Government.

The first four months of the year saw a steep increase in the production and sales of the Company. The selling prices were also improved on more than two occasions during this period. However recession in the steel industry and particularly in the automobile sector led to subdued sales in the months that followed. Bright budget prospects and stability in the Government is expected to improve the market sentiment. The Company has received the approval of RDSO, Indian Railways and have advanced considerably in the approval from Original Equipment Manufacturers. This will further enhance the market potential of the Company's products and help standardize the product range of the Company.

There has been a strict control over the cost of production and fixed overheads which were pegged down at reasonable levels throughout the year. This coupled with increased selling prices have improved the contribution and therefore the profitability of the Company. The major factor which has been affecting the performance of the Company during the year has been the low capacity utilisation. The capacity utilisation in the Steel Melting Shop has remained abysmally low at 37%. This is mainly on account of closure of plant for almost a third of the year following non-sourcing of raw materials as the necessary working capital has not been sanctioned by the banks.



## MARMAGOA STEEL LIMITED

The efforts of the Company in having the rehabilitation package and enhancement of working capital facilities cleared by the Banks are yet to fructify.

The relations of the Company with the workers and employees remained cordial throughout the year. The wage agreement with the unionized employees of the Company is due for renewal and their charter of demands have been submitted to the Company. The negotiations on this issue are in progress and the Company expects to conclude the same amicably.

### MANAGEMENT:

During the year under review the Industrial Finance Corporation of India Limited renominated their director on the Board of the Company. Shri P. Ramesha Kumar was inducted on the Board of the Company.

Upto the date of the Board Meeting, Shri R. K. Radhakrishna was appointed as Executive Director of the Company. Shri R. K. Radhakrishna has been associated earlier with the Company as the General Manager. The details of his appointment has been circulated to you and has been taken up in detail in the notice for this meeting.

As on the date of this report, Shri R. R. Borkar resigned from the directorship of the Company following the withdrawal of nomination by The Economic Development Corporation of Goa, Daman & Diu Limited, Goa.

Shri P. G. Chitale retires by rotation at the ensuing Annual General Meeting. He is eligible for reappointment.

### AUDITORS' REPORT:

The auditors have referred to Note No. 1(c) of Notes on Accounts, in their report. The Directors are of the opinion that in view of the low capacity utilisation, the depreciation provided on its assets is considered adequate.

### AUDITORS:

M/s. Kamath & Rau, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting. They are eligible for reappointment.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company continued its emphasis on upgradation of process technology particularly by the installation of Submerged Entry Nozzle casting and on energy conservation on a continuous basis. The details required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 pursuant to section 217(1) (e) of the Companies Act, 1956 are given in the annexed Form 'A' and Form 'B'.

### PARTICULARS OF EMPLOYEES:

There were no employees employed during the financial year or for the part of the financial year and who were in receipt of remuneration attracting the provisions of Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975.

### FOREIGN EXCHANGE EARNING AND OUTGO:

During the year under report, our Company has earned and expended Foreign Exchange as under :

Foreign Exchange earned	: Rs. 18.22 lacs
Foreign Exchange outgo	: Rs. 272.15 lacs

### ACKNOWLEDGEMENT:

The Board of Directors wish to thank Company's shareholders, customers, suppliers, bankers, Financial Institutions, Government Agencies and employees for their continued and unstinted support.

Place: Curtorim  
Date : 30th June 1997

For and on behalf of the Board  
A. G. POY RAITURCAR  
CHAIRMAN