



**BAJAJ STEEL INDUSTRIES LIMITED**

**48th Annual Report 2008-2009**

# BAJAJ STEEL INDUSTRIES LIMITED

## BOARD OF DIRECTORS

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Whole-time Director	Shri Ashish Bajaj
Directors	Shri Vinodkumar Bajaj Shri Lalchand Mutha Smt. Ramadevi Ruia Shri Kamal Kishore Kela Shri Mohan Agrawal Shri Alok Goenka Shri Raj Kumar Lohia Shri Rajiv Ranka Shri R.G. Dwivedi (MPFC Nominee) (upto - 18.03.2009)
Company Secretary	Shri Jagdish Shirke
Auditors	B. Chhawchharia & Co. 602, Govind Estates, Plot No. 172 Shivaji Nagar, Nagpur - 440 010
Bankers/Financial Institution	SICOM LIMITED State Bank of India Axis Bank Limited
R & T Agent	Adroit Corporate Services Private Limited 1 <sup>st</sup> Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai 400059 Tel : (022) 2859 0942/4442/4428/4060 E.mail: <a href="mailto:adroits@vsnl.net">adroits@vsnl.net</a>
Registered Office	Imambada Road NAGPUR - 440 018 email: <a href="mailto:cs@bajajngp.com">cs@bajajngp.com</a>
Works	Imambada Road Nagpur - 440 018 Plot No. B-14, C-108 & D-5/2 Hingna MIDC Area, <u>Nagpur</u> 440 028

**BAJAJ STEEL INDUSTRIES LIMITED**  
**NOTICE TO MEMBERS**

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Thursday, 29<sup>th</sup> Day of October, 2009 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur - 440-001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity shares of the Company for the year ended 31<sup>st</sup> March, 2009
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act 1956; M/s B. Chhawchharia & Co, Chartered Accountants, Nagpur, the retiring Statutory Auditors, be and hereby re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration as decided by the Board of Directors of the Company."
4. To appoint a Director in place of Shri Mohan Agrawal, who retires by rotation, and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Shri Lalchand Mutha, who who retires by rotation, and being eligible, offers himself for re-appointment

**SPECIAL BUSINESS :**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special / Ordinary Resolutions:

6. RE-APPOINTMENT OF SHRI ROHIT BAJAJ AS A MANAGING DIRECTOR OF THE COMPANY :  
SPECIAL RESOLUTION

"RESOLVED THAT in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf Shri Rohit Bajaj be and is hereby re-appointed as a Managing Director of the Company for a period of 5 years w. e. f. 1<sup>st</sup> July, 2009, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors.

RESOLVED FURTHER THAT where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Shri Rohit Bajaj, remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT Shri Sunil Bajaj, Director or Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

7. RE-APPOINTMENT OF SHRI SUNIL BAJAJ, AS A EXECUTIVE DIRECTOR OF THE COMPANY  
SPECIAL RESOLUTION

"RESOLVED THAT in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations



and modifications, if any, that may be effected by the above authorities in that behalf Shri Sunil Bajaj be and is hereby re-appointed as a Executive Director of the Company for a period of 5 years w. e. f. 1<sup>st</sup> July, 2009, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors.

RESOLVED FURTHER THAT where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Shri Sunil Bajaj, remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

8. APPOINTMENT OF SHRI LAV BAJAJ AS A BUSINESS DEVELOPMENT EXECUTIVE : SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 314 the Companies Act, 1956, Director's Relatives (Office or Place of Profit) Rules, 2003 and applicable provisions of the Companies Act, 1956, Shri Lav Bajaj son of Shri Sunil Bajaj, be and is hereby appointed as a "Business Development Executive" of the Company with effect from 1<sup>st</sup> October, 2008 at a monthly remuneration appended to the notice.

FURTHER RESOLVED THAT Shri Rohit Bajaj or Shri Sunil Bajaj, Directors of the Company be and are hereby authorised to do all deeds, acts, things, etc and to file forms as may be necessary to give effect to the said resolution."

9. AUTHORISATION FOR BORROWING POWERS: - ORDINARY RESOLUTION

"RESOLVED THAT in pursuant of the provision of section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any; of the Companies Act, 1956 and Memorandum and Articles of Association of the Company; the consent of the Company in terms of the aforesaid section of the Act be and hereby accorded to the Board of Directors of the Company (the Board) for borrowing from time to time for the purpose of the Company business any sum or sums of the money as it deem proper notwithstanding that the monies already borrowed by the Company, if any (apart from the temporary loans obtains from the Company's Bankers in the ordinary course of the business) may exceed the aggregate for the time being of paid-up capital of the Company and its free reserve, if any, that is to say, reserve not set apart for any specific purpose reserve, provided that the total amount of the monies so borrowed by the Board, together with the money already borrowed (apart from the temporary loans obtains from the Company's Bankers in the ordinary course of the business), shall not exceed Rs. 150.00 Crores (Rupees One Hundred Fifty Crores only) outstanding at any one time and that for the implementation of this resolution the Board may Act through any Director thereof or any other person duly authorised by the Board in that behalf."

10. AUTHORISATION FOR CREATION OF CHARGES/ MORTGAGES/ HYPOTHECATIONS IN FAVOUR OF BANKS, ETC. AS SECURITY AGAINST LOAN /FINANCIAL ASSISTANCE : ORDINARY RESOLUTION

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of the provisions of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, to the creation by the Board of Directors of the Company of such mortgages, charges, hypothecations as the board may direct movables and immovable properties of the Company and assets of all kinds, both present and future, in the form of first and / or second and / or subservient mortgage / charge and / or floating charge and in such manner as the Board may Direct, to or in favour of all or any of the banks and any other investing agencies, trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any of the Banks / any other investing agencies or any other persons / bodies corporate by way of

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private placement or otherwise availed by the company of an amount not exceeding Rs.150.00 Crores. (Rupees One Hundred Fifty Crores only) at any time together with the interest thereon at respective agreed rates, compound interest, additional interest, liquidated damages, committed charges, premia on pre-payment, or on redemption, cost, charges, expenses and all other money payable by the company to the aforesaid parties or any of them under the loan agreements / arrangements entered into / to be entered into by the Company in respect of the said loan or any other form of financial assistance.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to finalize with Banks or other /or Others, the documents for creating / hypothecation and accepting / making any alterations , changes, variations to or in the terms and conditions to do all acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this resolution."

Registered office:  
Imambada Road,  
Nagpur - 440 018

By order of the Board

Jagdish Shirke  
Company Secretary

Dated : 15th, September, 2009

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### NOTES

- (a) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set under Item No. 6 to 8 is appended below.
- (b) 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.
- (c) The Register of Members of the Company will remain closed from 10<sup>th</sup> October, 2009 to 29<sup>th</sup> October, 2009 (both days inclusive)  
Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2009, when declared at Annual General Meeting, will be paid to the members whose names appear:
  - i. as Beneficial Owners as per List to be furnished by the Depositories in respect of the Shares held in Demat Form as of the Book Closure Date.
  - ii. as Members on the Register of Members of the Company as on 29th October, 2009 (AGM) after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent upto end of the Business hours on the 9th October, 2009
- (d) Members are requested to :
  - (i) Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend Mandates etc.,
  - (ii) Quote their Folio Number in all their correspondence.
- (e) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent these folios to enable the R & T Agent to consolidate all share holdings into one folio.
- (f) Dematerialisation of Shares :  
This is to inform that 55% of the total equity shares have already been dematerialized as of 31<sup>st</sup> March, 2009. Shareholders who have not dematerialized their shares may opt the same accordingly.
- (g) Registrar and Share Transfer Agent :  
M/s Adroit Corporate Services Private Limited, 1<sup>st</sup> Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai-400 059 is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate/ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at the above mentioned address only



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

**ITEM NO : 6 & 7:**

Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director was appointed for a period of Five Years with effect from 1<sup>st</sup> July, 2004. The period of office of Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director expired on 30<sup>th</sup> June, 2009.

The Board of Directors have re-appointed Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> July, 2009

The remuneration paid each to them, terms and conditions of their re-appointment have been fixed in line with Schedule XIII to the Companies Act, 1956 as detailed hereunder, which are applicable to each of them:

- A) Salary : In the pay scale of Rs.1,50,000 - Rs.8,000 – Rs.1,90,000 per month.
- B) Commission : 1% per annum of the net profits of the Company.
- C) Perquisites : Perquisites shall be allowed, in addition to salary and commission, Perquisites shall be restricted to an amount equal to the annual Salary or Rs. 9,00,000/- per annum, whichever is less. Perquisites are classified as under:

Category – A

- i) Housing : As per Policy of the Company
- ii) Medical reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of Two month's salary in a year or Six month's salary over a period of three years.
- iii) Leave travel concession : Leave Travel Concession for self and family once in a year.
- iv) Club fees : Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
- v) Personal Accident Policy : Annual Premium of Personal Accident Insurance shall not exceed Rs.20,000/-

Note: For the purpose of perquisites stated in Part –B above "family" means the spouse, the dependents children and dependents parents of the appointee.

Category – B

- vi) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- vii) Gratuity payable shall not exceed half a month's salary for each completed year of service.

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## Category -C

- viii) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- ix) Provision of car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal Long distance calls on telephone and use of car for private purpose shall be billed by the Company.

### Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of the Part-II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactment thereof as may for the time being, be in force.

The draft agreement to be entered into between the Company and Shri Rohit Bajaj and Shri Sunil Bajaj is available for inspection at the Registered Office of the Company on any working Day upto the date of the Annual General Meeting between 3.00 P.M. To 5.00 P.M.

The notice of the meeting and explanatory statement thereof Under Section 173(2) of the Companies Act, 1956 which contains the terms and conditions of the re-appointment of Shri Rohit Bajaj as the Managing Director and Shri Sunil Bajaj as the Executive Director may be considered to be an abstract of the terms and conditions of their re-appointment under the Companies Act, 1956. The Directors recommend the resolution for approval of the Members.

Shri Rohit Bajaj and Shri Sunil Bajaj are interested in passing of the resolution in as much as it concern payment of remuneration to each of them as well as being relative of each other. Shri Hargovind Bajaj being relative of Shri Rohit Bajaj and Shri Sunil Bajaj may therefore, be deemed to be interested in passing of the resolutions to that extent. Save as aforesaid, none of the other Directors of the Company in any way concerned or interested in the said resolution.

## ITEM NO : 8

Shri Lav Bajaj is a relative of Shri Sunil Bajaj, Executive Director of the Company and in terms of Section 314 of the Companies Act, 1956, Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions of the Companies Act, 1956, his appointment shall require the (Special Resolution) consent of members of the Company at General Meeting held for first time after holding of such office or place of profit.

The Terms and Conditions of the remuneration are as :

Basic	:	Rs.	22,300
D.A.	:	Rs.	1,000
H.R.A.	:	Rs.	4,660
Medical Allowance	:	Rs.	1,250
Transport Allowance	:	Rs.	800
Total	:	Rs.	30,010
P.F. Contribution	:	Rs.	2,796
Bonus	:	Rs.	4,660
Gratuity	:	Rs.	932
Total Monthly CTC	:	Rs.	38,398



The Directors recommend the resolution for approval of the members of the Company. Shri Hargovind Bajaj and Shri Sunil Bajaj being relative of Shri Lav Bajaj may therefore, be deemed to be interested in passing of the resolution to that extent. Save as aforesaid none of the other Directors of the Company, in any way concerned or interested in the said resolution.

**ITEM No. 9 & 10 :**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.150.00 Crores (Rupees One Hundred and fifty Crores only)

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The mortgage and/or charge by the Company of its movable and/or immovable properties of the Company in favour of the lenders/agent(s)/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Hence it is necessary to obtain approval for the same from the Shareholders.

Save as above, none of the Directors of the Company is, in any way, concerned or are interested in the said resolution.

REGISTERED OFFICE:

IMAMBADA ROAD  
NAGPUR - 440 018

BY ORDER OF THE BOARD

JAGDISH SHIRKE  
COMPANY SECRETARY



# BAJAJ STEEL INDUSTRIES LIMITED

## REPORT OF THE DIRECTORS

The Directors presents their Forty-Eighth Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009:

FINANCIAL RESULTS :	GROWTH (In %)	31.03.2009	RUPEES 31.03.2008
SALES AND OTHER INCOME	21.85%	<u>2,616,613,376</u>	<u>2,147,430,751</u>
Profit before Interest & Depreciation		<u>321,271,215</u>	<u>172,716,471</u>
Less : Interest		44,729,064	42,369,893
Depreciation		43,138,545	21,838,501
		<u>233,403,606</u>	<u>108,508,077</u>
Add : Extra Ordinary Item		(-)	(-)
Profit before Tax	115.10%	<u>233,403,606</u>	<u>108,508,077</u>
Provision for Taxation		82,225,500	39,790,079
<b>Net Profit</b>	<b>120.00%</b>	<u>151,148,606</u>	<u>68,717,998</u>
<b>Add : Balance Brought Forward from previous year</b>		<u>12,586,147</u>	<u>19,015,929</u>
		<u>163,734,753</u>	<u>87,733,927</u>
<b>Less : Appropriations :</b>			
Proposed Dividend		4,400,000	4,400,000
Corporate Dividend Tax		747,780	747,780
Transfer to General Reserve		140,000,000	70,000,000
<b>Balance Carried Forward to Balance Sheet</b>		<u>18,586,973</u>	<u>12,586,147</u>
		<u>163,734,753</u>	<u>87,733,927</u>

### DIVIDEND :

Considering the performance of the Company, your Directors are pleased to recommend a Dividend of Rs. 2.00 per share. The Dividend as recommend would involve an outflow of Rs. 44.00 Lacs towards Dividend and Rs. 7.48 Lacs towards corporate dividend tax, resulting in a total outflow of Rs. 51.48 Lacs. The dividend will be distributed to the members whose names appears on the register of members as on the date of Annual General Meeting.

### WORKING & FUTURE PROSPECTS :

During the year under review, the turnover of the Company increased sharply from Rs. 214.74 crores in the year 2007-08 to Rs. 261.66 crores in the year 2008-09 to representing a growth of 21.85% The profitability of the Company increased from Rs. 6.87 crores for the year 2007-08 to Rs.15.11 crores Crores for the year 2008-09 to representing a growth of 120% .The Board of Directors are hopeful that the performance of the Company will improve. The working of both the division of the Company is given below:



● **STEEL DIVISION:**

The steel division is concentrating in its core business of manufacturing Cotton ginning and Pressing machines which has a great potential to expand, considering the increasing cotton cultivation in India & abroad.

● **PLASTIC DIVISION (SUPERPACK):**

The Woven Sacks & Fabric unit/division "SUPERPACK" has been incurring continuous losses. Your Company was exploring opportunities to dispose off this unit/division "SUPERPACK" subject to the sanction of Banks & Financial Institutions and other statutory formalities.

The Board of Directors of the Company vide resolution dated 26.05.2009 approved sale /dispose / transfer of its Undertaking / Division namely 'Superpack Division' with all liabilities & assets of such division to any prospective Buyer / Acquirer whether Individual or Body Corporate, on such terms & conditions as may be decided by the Board/ Committee. This was subject to approval of members/ shareholders of the company Under Section 293(1)(a) of the Companies Act 1956.

The Resolution for disposal of undertaking – Superpack had approved by the Shareholders with the requisite majority and the Scrutinizer for the Postal Ballot Process had submitted their report dated 10.07.2009 on the Postal Ballot Forms received from the shareholders of the Company. Based on the report submitted by the Scrutinizer, the Chairman declared the result on 10.07.2009 of the resolution passed through postal ballot to the Bombay Stock Exchange Limited (BSE) and other regulatory authorities and the same was published in newspaper.

**AUDITORS' REPORT:**

The observations made by the auditors read together with the relevant notes thereon, are self-explanatory.

**PUBLIC DEPOSITS:**

The total public deposits as on 31<sup>st</sup> March, 2009 amounted to Rs 1,91,88,000. Five deposits amounting to Rs. 30,000/- though matured before 31<sup>st</sup> March, 2009 were not claimed by the depositors. As on date all the five unclaimed deposits have been renewed.

**LALIT DOSHI MEMORIAL AWARD (2008-09) – SICOM LIMITED**

Your Directors glad to inform that, your Company has received 15<sup>th</sup> Lalit Doshi Memorial Award (LDMA) - 2008-09 from SICOM Ltd, at the award function held at Mumbai on 4<sup>th</sup> August, 2009 as best SICOM assisted unit.

**PARTICULARS OF EMPLOYEES U/s 217 (2A):**

Shri M. K. Sharma, President of the Company, aged 52 years is in receipt of remuneration of Rs. 30,48,966/ for the financial year 2008-09 in respect of which disclosure under Section 217(2A)(a)(i) of the Companies Act, 1956. He has commenced his full time employment with the Company from 19<sup>th</sup> October, 1996 and handling overall affairs of the Company. Before joining the Company he was in employment with Pepega Cores Group of Companies. Further Shri M. K. Sharma is not relative to any Director of the Company. The details of aforesaid are available at the Registered Office of the Company for inspection.

**CONSERVATION OF ENERGY:**

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible.

**TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:**

The Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its products. The technology used by the Company is updated as a continuous exercise. The Company is giving great emphasis on Research and Development activity.

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## FOREIGN EXCHANGE EARNINGS AND OUTGO :

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the Notes No. 12(c), 12(b) and 12(d) respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these Notes.

## LISTING OF SHARES :

The Equity Shares of the Company are listed on The Stock Exchange, Mumbai. The Company has paid annual listing fees of the Stock Exchange for the financial year 2009-2010.

## DIRECTORS RESPONSIBILITY STATEMENT :

As per provision of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account of the Company for the period.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

## DIRECTORS :

Shri Mohan Agrawal and Shri Lalchand Mutha, retires by rotation and being eligible offers themselves for re-appointment.

During the year, Madhya Pradesh Finance Corporation has withdrawn the nomination of Shri R.G. Dwivedi in view of satisfaction of Loan of MPFC. The nomination has withdrawn with effect from 18.03.2009. The Board of Directors are very thankful to Shri R. G. Dwivedi for his services to the Board/Company.

During the year under review the Board of Directors have re-appointed Shri Rohit Bajaj and Shri Sunil Bajaj as a Managing Director and Executive Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> July, 2009. Subject to approval of members in the ensuing Annual General Meeting and Shri Ashish Bajaj was re-appointed as a Whole time Director with effect from 1<sup>st</sup> February, 2009 upto the Conclusion of Annual General Meeting of the Company.

## AUDITORS :

M/s B. Chhawchharia & Co., Chartered Accountants, Nagpur retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

## ACKNOWLEDGEMENT :

The Directors are grateful to the Bankers and Financial Institutions for their continued support, co-operation and assistance during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year.

FOR AND ON BEHALF OF THE BOARD

PLACE : NAGPUR

Dated : 15<sup>th</sup>, September 2009

HARGOVIND BAJAJ  
CHAIRMAN



## AUDITORS' REPORT

### **To the members of Bajaj Steel Industries Limited**

We have audited the attached Balance Sheet of M/s. Bajaj Steel Industries Limited as at 31<sup>st</sup> March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, 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 above, we report that :
  - (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 account as required by law have been kept by the Company so far as appears from our examination of such books;
  - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account;
  - (d) In our opinion, subject to our comments hereinafter, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards as 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 of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director 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 information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009,
    - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
    - iii) in the case of the Cash Flow Statements, of the Cash flows of the Company for the year ended on that date.

Place: Nagpur  
Date: 15<sup>th</sup>, September 2009

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

# BAJAJ STEEL INDUSTRIES LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31<sup>st</sup> March, 2009.

- (i) a) As informed, proper records showing full particulars including quantitative details and situation of fixed assets are being compiled by the Company.
- b) According to the information and explanation given to us, all the fixed assets including Capital Work in progress have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, the Company has not disposed substantial part of its fixed assets during the year.
- (ii) a) According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
- (iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loans from four companies and one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 220.49 Lacs and the year-end balance of such loans taken was Rs.113.38 Lacs.
- c) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from such companies and parties are, prima facie, not prejudicial to the interest of the Company.
- d) The payment of principal amounts and interest are regular as per stipulations, wherever such stipulations exist.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness, if any, in internal control system.
- (v) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 are being updated in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions that were made in pursuance of contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more, in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or other relevant provision of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.



- (vii) In our opinion and according to the information and explanations given to us, the Company has a formal internal audit system commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) In our opinion and according to the information and explanations given to us:
  - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.
  - b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited on account of any dispute except as detailed in Annexure I.
- (x) There are no accumulated losses in the Company and the Company has not incurred any cash loss in the year under review or in the immediately preceding year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. All the Shares and Securities held as investments are in company's own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company for the year under review, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year under review.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issue during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Nagpur

Date: 15<sup>th</sup>, September 2009

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

## BAJAJ STEEL INDUSTRIES LIMITED

Annexure 1 as referred in clause [ix (b)] of the Annexure to our Report of even date for the year ended 31st March, 2009

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	0.44	1998-99	Deputy Commissioner, Sales Tax, Nagpur
Central Sales Tax Act, 1956	Non submission of Forms	2.41	2001 - 2002	Deputy Commissioner, (Appeals)
Central Excise Act, 1944	Duty on material cleared after Job Work	0.43	Oct-03 to Apr - 2004	Assistant Commissioner, Chhindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-2003 & 2003-2004	Tribunal, Mumbai
The Madhya Pradesh Sthaniya Kshetra Me Mal ke Pravesh Par Kar Adhinyam, 1976	Imposition of Entry Tax on Packing Material	0.54	1998 - 1999	Sales Tax Appellate Tribunal, Bhopal
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular assessment	0.27	2002 - 2003	Assistant Commissioner, Commercial Tax
Central Sales Tax Act, 1956	Non submission of Forms	0.98	2004 - 2005	Deputy Commissioner of Commercial Tax Chhindwara
Central Excise Act, 1944	MODVAT Credit on dead raw material Stock	6.14	2001-2002 to 2005-2006	CESAT New Delhi

Place: Nagpur

Date: 15<sup>th</sup>, September 2009

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31.03.2009	As at 31.03.2008
		Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds :			
a) Share Capital	1	22,000,000	22,000,000
b) Reserves and Surplus	2	<u>343,877,219</u>	<u>197,876,393</u>
		365,877,219	219,876,393
Loan Funds :			
a) Secured Loans	3	87,985,080	139,994,061
b) Unsecured Loans	4	<u>219,324,981</u>	<u>204,286,511</u>
		<u>307,310,061</u>	<u>344,280,572</u>
		<u><b>673,187,280</b></u>	<u><b>564,156,965</b></u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets :			
a) Gross Block	5	559,138,420	415,827,737
b) Less:Depreciation		<u>253,613,417</u>	<u>271,101,391</u>
c) Net Block		<u>305,525,003</u>	<u>144,726,346</u>
d) Capital Work-in-Progress		<u>45,953,614</u>	<u>92,347,072</u>
		351,478,617	237,073,418
Investments	6	16,463,486	16,463,486
Deferred Tax - Net	7	(8,837,000)	632,000
Current Assets, Loans and Advances :			
a) Inventories	8	273,886,293	374,638,372
b) Sundry Debtors	9	160,190,894	180,378,035
c) Cash and Bank Balances	10	161,040,327	143,919,711
d) Loans and Advances	11	<u>47,441,559</u>	<u>60,646,031</u>
		642,559,073	759,582,149
Less : Current Liabilities and Provisions :			
a) Current Liabilities	12	297,187,101	421,930,077
b) Provisions		<u>31,289,795</u>	<u>27,664,011</u>
		<u>328,476,896</u>	<u>449,594,088</u>
Net Current Assets		<u>314,082,177</u>	<u>309,988,061</u>
		<u><b>673,187,280</b></u>	<u><b>564,156,965</b></u>
<b>NOTES ON ACCOUNTS</b>	20		
<b>BALANCE SHEET ABSTRACT AND COMPANY'S</b>			
<b>GENERAL BUSINESS PROFILE</b>	21		

The Schedules referred to above form an integral part of accounts

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

Ashish Bajaj  
Whole Time Director

Rohit Bajaj  
Managing Director

H. G. Bajaj  
Chairman

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

Sunil Bajaj  
Executive Director

L. C. Mutha  
R. K. Lohia  
Rajiv Ranka  
Ramadevi Ruia  
Directors

V. K. Bajaj  
K. K. Kela  
A. Goenka  
Directors

Place : Nagpur  
Date : 15<sup>th</sup>, September 2009

Jagdish Shirke  
Company Secretary



# BAJAJ STEEL INDUSTRIES LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME :</b>			
Sales		2,558,863,294	2,120,201,903
Processing Charges		1,315,427	1,916,983
Other Income	13	56,434,655	25,311,865
Increase/(Decrease) in Stock	14	(83,319,328)	38,390,120
		<u>2,533,294,048</u>	<u>2,185,820,871</u>
<b>EXPENDITURE:</b>			
Cost of Materials	15	1,518,714,331	1,360,136,642
Purchases		19,958,308	45,024
Manufacturing and Processing charges		130,351,981	179,952,293
Power and Fuel		10,860,658	13,763,273
Personnel	16	125,201,308	78,132,897
Excise Duty		269,459,652	248,927,236
Cost of Borrowing	17	44,729,064	42,369,893
Other Expenses	18	137,476,595	132,147,035
Depreciation		43,138,545	21,838,501
		<u>2,299,890,442</u>	<u>2,077,312,794</u>
<b>PROFIT BEFORE TAX</b>		233,403,606	108,508,077
Less: Direct Taxes	19	82,255,000	39,790,079
<b>PROFIT AFTER TAX</b>		151,148,606	68,717,998
Balance Surplus Brought Forward		12,586,147	19,015,929
		<u>163,734,753</u>	<u>87,733,927</u>
<b>APPROPRIATIONS</b>			
Provision for proposed dividend		4,400,000	4,400,000
Corporate Dividend Tax		747,780	747,780
Transfer to General Reserve		140,000,000	70,000,000
Balance Surplus Carried to Balance Sheet		18,586,973	12,586,147
		<u>163,734,753</u>	<u>87,733,927</u>
<b>EARNING PER SHARE</b>			
(On Shares of nominal value of Rs. 10/- each)			
Basic and Diluted		68.70	31.24

**The Schedules referred to above form an integral part of accounts**

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

Ashish Bajaj  
Whole Time Director

Rohit Bajaj  
Managing Director

H. G. Bajaj  
Chairman

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

Sunil Bajaj  
Executive Director

L. C. Mutha  
R. K. Lohia  
Rajiv Ranka

V. K. Bajaj  
K. K. Kela  
A. Goenka

Place : Nagpur  
Date : 15<sup>th</sup>, September 2009

Jagdish Shirke  
Company Secretary

Ramadevi Ruia  
Directors



**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2009	As at 31.03.2008
<b>1 SHARE CAPITAL</b>	Rs.	Rs.
Authorised :		
15,000,000 Equity Shares of Rs. 10 each	150,000,000	150,000,000
Issued, Subscribed and paid-up :		
2,200,000 Equity Shares of Rs. 10 each fully paid (The above includes 510,000 Equity Shares issued as fully paid Bonus shares by capitalisation of General Reserve)	22,000,000	22,000,000
	<u>22,000,000</u>	<u>22,000,000</u>
<b>2 RESERVES AND SURPLUS</b>		
Capital Reserve :		
Capital Subsidy	5,286,746	5,286,746
On re-issue of forfeited Equity Shares	3,500	3,500
	<u>5,290,246</u>	<u>5,290,246</u>
General Reserve :		
As per last account	180,000,000	110,000,000
Transfer from Profit & Loss Account	140,000,000	70,000,000
	<u>320,000,000</u>	<u>180,000,000</u>
Profit and Loss Account	18,586,973	12,586,147
	<u>343,877,219</u>	<u>197,876,393</u>
<b>3 SECURED LOANS</b>		
A) * Term Loans from :		
a) Madhya Pradesh Financial Corporation Secured by first charge on fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing, Whole Time, Executive and two other Directors of the company.	-	16,185,843
b) SICOM Limited Secured by first charge on the fixed assets and entire movable assets, present and future, situated at Plot No.C-108, MIDC, Hingna, Nagpur and floating charge on all other assets of the Company and by personal guarantee of the Managing and Executive Director of the company.	20,800,000	38,000,000
B) Working Capital Loans from :		
a) State Bank of India Secured by first charge on Stocks and Book debts and second charge on the fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing, Whole Time, Executive and two other Directors of the company.	42,131,038	73,171,858
b) HDFC Bank Limited Secured by pledge of certain Fixed Deposit Receipts	8,868,225	7,619,955
c) Wardhaman Co-Operative Bank Limited Secured by pledge of certain Fixed Deposit Receipts	9,020,712	-
d) Axis Bank Limited Secured by pledge of certain Fixed Deposit Receipts	2,219,669	-
C) * Vehicle Loans from :		
a) ICICI Bank Limited	955,038	2,017,690
b) HDFC Bank Limited	3,990,398	2,998,715
- Secured by hypothecation of vehicles financed by them	<u>87,985,080</u>	<u>139,994,061</u>
* Repayable within one year	23,886,688	21,459,889
<b>4 UNSECURED LOANS</b>		
+ Fixed Deposits	19,158,000	19,185,000
From Bodies Corporate	200,166,981	185,101,511
	<u>219,324,981</u>	<u>204,286,511</u>
+ Repayable within one year	<u>12,591,000</u>	<u>10,206,000</u>

**SCHEDULES TO THE ACCOUNTS**  
**5. FIXED ASSETS**

	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		ASAT 01.04.2008	ADDITIONS	DEDUC TIONS	ASAT 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	ADJUST MENTS	UPTO 31.03.2009	ASAT 31.03.2009	ASAT 31.03.2008
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(A)	LAND										
	- Freehold	1,207,012	-	-	1,207,012	-	-	-	-	1,207,012	1,207,012
	- Leasehold	11,180,158	-	-	11,180,158	-	-	-	-	11,180,158	11,180,158
	BUILDING	93,095,857	75,198,030	-	168,293,887	52,137,058	7,706,768	-	59,843,826	108,450,061	40,958,799
	PLANT AND MACHINERY	270,247,194	104,396,341	62,713,965	311,929,570	199,375,073	24,772,773	60,569,731	163,578,115	148,351,455	70,872,121
	OFFICE EQUIPMENTS	15,141,626	16,216,176	76,595	31,281,207	9,539,632	6,329,731	56,789	15,812,574	15,468,633	5,601,994
	FURNITURE AND FIXTURES	9,116,547	6,320,389	-	15,436,936	3,981,584	1,198,937	-	5,180,521	10,256,415	5,134,963
	VEHICLES	14,690,029	3,970,307	-	18,660,336	5,817,474	3,005,321	-	8,822,795	9,837,541	8,872,555
	TECHNICAL KNOW HOW	1,149,314	-	-	1,149,314	250,571	125,015	-	375,586	773,728	898,743
	TOTAL (A)	415,827,737	206,101,243	62,790,560	559,138,420	271,101,391	43,138,545	60,626,520	253,613,417	305,525,003	144,726,345
(B)	CAPITAL WORK IN PROGRESS.										
	BUILDING	58,884,401	51,661,115	68,554,341	41,991,175	-	-	-	-	41,991,175	58,884,401
	PLANT AND MACHINERY	25,912,663	3,974,139	27,941,159	1,945,643	-	-	-	-	1,945,643	25,912,663
	OFFICE EQUIPMENTS	7,550,008	-	7,550,008	-	-	-	-	-	-	7,550,008
	TECHNICAL KNOW HOW	-	2,016,796	-	2,016,796	-	-	-	-	2,016,796	-
	TOTAL (B)	92,347,072	57,652,050	104,045,508	45,953,614	-	-	-	-	45,953,614	92,347,072
	GRAND TOTAL (A + B)	508,174,809	263,753,293	166,836,068	605,092,034	271,101,391	43,138,545	60,626,520	253,613,417	351,478,617	-
	PREVIOUS YEAR FIGURES	433,972,329	108,511,669	34,309,189	508,174,809	279,529,575	21,838,501	30,266,684	271,101,391	-	237,073,418

BAJAJ STEEL INDUSTRIES LIMITED

**SCHEDULES TO THE ACCOUNTS**As at  
31.03.2008As at  
31.03.2007**6 INVESTMENTS - LONG TERM**

In fully paid up Equity Shares of Companies

	Face Value Rs.	No. of Shares/Unit	Rs.	No. of Shares/Unit	Rs.
<u>Quoted:</u>					
Wopolin Plastics Limited	10	85,850	1,788,050	85,850	1,788,050
Less: Provision for diminution in value of Investments			<u>1,788,049</u>		<u>1,788,049</u>
			1		1
BPL Limited	10	30,000	2,345,907	30,000	2,345,907
Mcleod Russel India Limited	5	15,000	403,952	15,000	403,952
Peninsula Land Ltd	2	5	53	5	53
Jaiprakash Hydropower Limited	10	100,000	3,705,239	100,000	3,705,239
Ushita Trading & Agencies Ltd	10	90,000	2,117,975	90,000	2,117,975
Murli Industries Limited.	10	6,000	3,911,098	6,000	3,911,098
Confidence Petroleum India Limited.	1	100,000	3,313,548	100,000	3,313,548
<u>Unquoted:</u>					
Associated Biscuits Co.Ltd.	100	3,800	627,000	3,800	627,000
Nagpur Nagrik Sahakari Bank Ltd.	50	1	50	1	50
Shikshak Sahakari Bank Ltd.	25	24	600	24	600
In fully paid up Preference Shares of a company					
<u>Unquoted:</u>					
Associated Biscuits Co.Ltd.					
- 11% Non Cumulative Convertible Preference Shares	10	3,800	38,063	3,800	38,063
			<u>16,463,486</u>		<u>16,463,486</u>
Aggregate amount of Quoted Investments			15,797,773		15,797,773
Aggregate amount of Unquoted Investments			665,713		665,713
Market Value of Quoted Investments			8,289,559		12,671,445

# BAJAJ STEEL INDUSTRIES LIMITED

<u>SCHEDULES TO THE ACCOUNTS</u>	As at 31.03.2009	As at 31.03.2008
<b>7 DEFERRED TAX - NET</b>	Rs.	Rs.
Deferred Tax Assets on		
Unabsorbed Losses	150,000	150,000
Employees Benefits	4,610,000	4,098,000
Fiscal allowances on provisions	<u>3,389,000</u>	<u>2,565,000</u>
	8,149,000	6,813,000
Less : Deferred Tax Liability on Fiscal allowances of fixed assets	<u>16,986,000</u>	<u>6,181,000</u>
	<u>(8,837,000)</u>	<u>632,000</u>
<b>8 INVENTORIES</b>		
(As taken, valued and certified by Management)		
Stores, spares and fuel	6,970,660	20,821,294
Raw Materials	168,070,239	171,652,356
Semi-finished Goods	61,563,734	141,008,901
Finished Goods	<u>37,281,660</u>	<u>41,155,821</u>
	<u>273,886,293</u>	<u>374,638,372</u>
<b>9 SUNDRY DEBTORS</b>		
Due for more than six months		
Considered Good		
- Secured	4,073,186	998,600
- Unsecured	24,399,182	34,135,785
Considered Doubtful		
- Unsecured	9,970,342	7,546,552
Others		
Considered good		
- Secured	5,185,600	2,000,000
- Unsecured	<u>126,532,926</u>	<u>143,243,650</u>
	170,161,236	187,924,587
Less: Provision for Doubtful Debts	<u>9,970,342</u>	<u>7,546,552</u>
	<u>160,190,894</u>	<u>180,378,035</u>
<b>10 CASH AND BANK BALANCES</b>		
Cash in hand	2,254,759	778,813
Cheques in hand	505,400	124,842
Balance with Scheduled Banks:		
- In Current Account	29,308,518	32,508,778
- In Unpaid Dividend Account	970,226	712,556
- In Term Deposit Account	128,001,424	109,794,722
(Pledged Rs 26536337/-; P.Y. Rs 21244727/-)		
	<u>161,040,327</u>	<u>143,919,711</u>
<b>11 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	24,340,324	30,403,031
Balances with Government Authorities	20,058,264	27,322,754
Deposits	<u>3,042,971</u>	<u>2,920,246</u>
	<u>47,441,559</u>	<u>60,646,031</u>

**SCHEDULES TO THE ACCOUNTS**As at  
31.03.2009 As at  
31.03.2008

	Rs.	Rs.
<b>12 CURRENT LIABILITIES AND PROVISIONS</b>		
a) Current Liabilities		
Acceptances	-	33,033,267
Sundry Creditors	145,072,184	148,952,162
Advance from Customers	106,808,698	200,753,984
Unclaimed Dividends	970,226	712,756
Deposits	17,139,387	12,315,281
Other Liabilities	26,131,783	25,103,399
Interest accrued but not due	1,064,823	1,059,228
	<u>297,187,101</u>	<u>421,930,077</u>
b) Provisions		
For Taxation (Net of Advance & Refundable)	12,995,852	10,895,388
For Proposed Dividend	4,400,000	4,400,000
For Corporate Dividend Tax	747,780	747,780
For Gratuity	10,054,831	9,361,524
For Leave Encashment	3,091,332	2,259,319
	<u>31,289,795</u>	<u>27,664,011</u>
	<u>328,476,896</u>	<u>449,594,088</u>
<b>13 OTHER INCOME</b>		
Rent	60,000	309,600
Dividend	177,004	214,457
Interest (Includes TDS Rs 2506926/-; P.Y. Rs.1628511/-)	11,974,831	8,676,143
Profit on sale of fixed assets (Net)	21,648,584	7,434,094
Profit from Futures and Options	-	60,477
Miscellaneous Income	20,408,800	8,254,995
Items relating to previous years (Net)	-	337,140
Excess provision for Bonus written back	-	9,892
Provision for Doubtful debts written back	2,165,436	15,067
	<u>56,434,655</u>	<u>25,311,865</u>
<b>14 INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock :		
a) Finished Goods	37,281,660	41,155,821
b) Semi-finished Goods	<u>61,563,734</u>	<u>141,008,901</u>
	98,845,394	182,164,722
Less : Opening Stock :		
a) Finished Goods	41,155,821	50,617,475
b) Semi-finished Goods	<u>141,008,901</u>	<u>93,157,127</u>
	<u>182,164,722</u>	<u>143,774,602</u>
	<u>(83,319,328)</u>	<u>38,390,120</u>
<b>15 COST OF MATERIALS</b>		
Consumption of Raw Materials:		
Opening Stock	171,652,356	140,315,405
Add : Purchases	<u>1,437,972,777</u>	<u>1,297,788,299</u>
	1,609,625,133	1,438,103,704
Less: Closing Stock	<u>168,070,239</u>	<u>171,652,356</u>
	1,441,554,894	1,266,451,348
Consumption of Stores and Spares	77,159,437	93,685,294
	<u>1,518,714,331</u>	<u>1,360,136,642</u>

# BAJAJ STEEL INDUSTRIES LIMITED

<u>SCHEDULES TO THE ACCOUNTS</u>	2008-2009	2007-2008
	Rs.	Rs
<b>16 PERSONNEL</b>		
Salaries, Wages, Bonus and allowances	110,777,408	64,108,590
Directors' Remuneration	4,509,200	4,110,000
Contribution to Provident and Other Funds	6,212,906	5,833,395
Staff and Labour welfare Expenses	3,701,794	4,080,912
	<u>125,201,308</u>	<u>78,132,897</u>
<b>17 COST OF BORROWING</b>		
Interest		
On Term Loans	4,661,217	3,973,425
On Fixed Deposits	2,185,329	2,793,755
On Others	37,374,811	33,530,929
Difference in exchange relating to Foreign Currency Loans	-	1,644,586
Loan Processing Fees	507,707	427,198
	<u>44,729,064</u>	<u>42,369,893</u>
<b>18 OTHER EXPENSES</b>		
Rent	3,223,111	3,483,347
Rates and Taxes	773,907	605,049
Insurance	758,582	1,221,004
Discount on Sales	14,210,632	12,527,103
Freight and other Expenses	10,999,951	23,650,131
Travelling and Conveyance	17,913,782	19,750,105
Commission on Sales	19,131,151	19,905,120
Repairs and Maintenance:		
Machinery	3,060,795	768,647
Buildings	3,441,174	5,441,608
Others	4,569,600	3,156,798
Directors' Sitting Fees	70,000	54,000
Irrecoverable Debts and Advances written off	11,152,155	1,987,294
Provision for Doubtful Debts	4,589,225	1,341,984
Miscellaneous Expenses	42,033,386	37,812,694
Items relating to previous years (Net)	1,549,144	-
Loss on sale of Investments (Net)	-	442,151
	<u>137,476,595</u>	<u>132,147,035</u>
<b>19 DIRECT TAXES</b>		
Provision for Income Tax	71,000,000	34,500,000
Provision for Wealth Tax	76,000	56,000
Provision for Fringe Benefit Tax	1,710,000	1,750,000
Deferred Tax Adjustments	9,469,000	3,075,000
Securities Transaction Tax	-	72,881
Tax Adjustments	-	336,198
	<u>82,255,000</u>	<u>39,790,079</u>



## **SCHEDULES TO THE ACCOUNTS**

### **20. NOTES ON ACCOUNTS**

#### **1. Significant Accounting Policies:**

##### **i) Accounting Convention:**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards.

##### **ii) Valuation of Fixed Assets:**

Fixed assets are stated at cost without deducting capital grants which are shown separately in the accounts.

##### **iii) Method of depreciation:**

Depreciation is provided on 'Written Down Value Method' in accordance with the provisions of Schedule XIV to the Companies Act, 1956.

##### **iv) Treatment of expenditure during construction:**

The expenditure incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

##### **v) Valuation of Inventories:**

###### **Inventories are valued as follows:**

Raw Materials, Stores, Spares and Fuel:-

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods:-

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

##### **vi) Obsolescence and damaged materials:**

The inventories are periodically reviewed to ascertain dormant/ obsolescence materials and necessary adjustments are made thereof.

##### **vii) Investments:**

Long Term investments are valued at cost except that provision is made to recognize the permanent diminution in their value. Investments intended to be held for less than one year are classified as current investments and are valued at lower of cost and market value.

##### **viii) Foreign Exchange Variations:**

Closing balances of current assets and current liabilities relating to foreign currency transactions are converted into Rupees at prevailing rates or at the rate of forward cover. Export sales are recorded in rupee amount by applying the exchange rate existing at the time of discounting the bills of exchange with the bankers or at closing rate of exchange.

##### **ix) Sales and other income:**

i) Sales include excise duty and exclude sales tax/Value Added Tax.

ii) Revenue recognition is postponed to a later date only when it is not possible to estimate it with reasonable accuracy.

##### **x) Employees Benefits:**

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.



# BAJAJ STEEL INDUSTRIES LIMITED

## SCHEDULES TO THE ACCOUNTS

### xi) Taxes on Income :

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### xii) Impairment of assets:

Impairment loss in the value of assets as specified in Accounting Standard 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

### xiii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

### 2) Contingent liabilities (not provided for) in respect of :

(Rs. In Lacs)

	<u>2008-2009</u>	<u>2007-2008</u>
a) Labour matters	7.04	6.68
b) Excise duty	0.43	0.43
c) Customs Duty	136.60	136.60
d) Sales Tax	7.98	7.98

- 3) Estimated amount of contracts to be executed on Capital accounts and not provided for Rs. 22.93 lacs (P.Y. Rs. 292.50 lacs), advance thereagainst Rs.5.62 lacs (P.Y. Rs. 68.65 lacs).
- 4) According to the accounting system consistently followed by the Company, excise duty payable on finished goods is accounted for at the time of removal of the same for sale. Had the said liability been provided, the same would have resulted in higher value of inventory having no impact on the profit for the year.
- 5)a. As per the information available with the Company and relied upon by the auditors, Sundry Creditors include Rs.14,975,997/- (P.Y. Rs. 20,038,068/-) due to Small Scale Industrial Undertakings (SSI). Names of the SSI Undertakings to whom there are dues for more than 30 days are Boltnut (India), Hindustan Metal Industries, Kirti Fasteners, Laxmi Iron & Steel Industries, Raju Steel Industries, Sanvijay Rolling & Engineering, Gangalaxmi Agrotech Private Limited and Luk Technical Services Private Limited.
- b. As per Micro, Small & Medium Enterprises Development Act, 2006, the Company requested all its suppliers to inform their status under this Act. The data has not been supplied by the suppliers in full. Therefore, the details required as per above act are not furnished.
- 6) a) Managing, Executive, and Whole-time Directors' remuneration:

	<u>2008-2009</u>	<u>2007-2008</u>
	Rs.	Rs.
Salary	2,580,000	2,472,000
Contribution to Provident Fund	309,600	296,640
Perquisites (As per I.T. Rules)	812,700	656,281
Commission	1,929,200	1,638,000
	<u>5,631,500</u>	<u>5,062,921</u>



## SCHEDULES TO THE ACCOUNTS

- b) Computation of net profit U/s. 198 read with Section 309(5) of Companies Act, 1956 and Directors' Commission:

	<u>2008-2009</u>	<u>2007-2008</u>
i) Managing Director and Executive Director:	Rs.	Rs.
Profit Before Tax	233,403,606	108,508,077
Add: Directors' remuneration	4,818,800	4,406,640
Sitting fees	70,000	54,000
Loss on Sale of Investments (Net)	-	442,151
Provision for Doubtful debts	<u>4,589,225</u>	<u>1,341,984</u>
	<u>242,881,631</u>	<u>114,752,852</u>
Less: Profit on Sale of Fixed Assets above its original cost	<u>1,242,017</u>	<u>2,000</u>
Provision for Doubtful debts Written back	<u>2,165,436</u>	<u>15,067</u>
	<u>239,474,178</u>	<u>114,735,785</u>

Commission payable to the Managing Director and the Executive Director each @1% on the net profit restricted to their annual salary and overall managerial remuneration of 10% of profits

1,710,000                      1,638,000

ii) Whole-time Director:		
Profit / (Loss) before Tax (Superpack Division)	4,792,441	(38,244,307)
Add: Whole-time Director's remuneration	1,193,600	9,34,080
Provision for Doubtful debts	<u>3,732,684</u>	<u>-</u>
	<u>9,718,725</u>	<u>(37,130,227)</u>
Less: Profit on Sale of Fixed Assets above its original Cost	<u>1,056,106</u>	<u>-</u>
Provision for Doubtful debts Written back	<u>1,355,957</u>	<u>-</u>
	<u>7,306,662</u>	<u>(37,130,227)</u>
Commission payable to whole-time Director @3% on the net profit of the Division restricted to his annual salary.	<u>2,19,200</u>	<u>Nil</u>

- 7) Payments to Auditors:
- |                           |         |         |
|---------------------------|---------|---------|
| Statutory Audit fees      | 400,000 | 400,000 |
| Tax Audit fees            | 75,000  | 75,000  |
| Internal Audit Fee        | 30,000  | 30,000  |
| For Other Services        | 62,500  | 36,000  |
| Reimbursement of expenses | 25,190  | 4,980   |
- 8) The "Earning per share (EPS)" has been calculated as specified in Accounting Standard 20 issued by the Institute of Chartered Accountants of India by dividing the Net Profit after Tax for the year by the number of shares allotted by the Company.
- 9) Related Party Disclosures:
1. Enterprises where control exists: None
  2. Other related parties with whom the Company had transactions:
    - a) Key Management Personnel - Shri Rohit Bajaj (Managing Director), Shri Sunil Bajaj (Executive Director) and Shri Ashish Bajaj (Whole Time Director)
    - b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence - Wopolin Plastics Limited, Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Waterlinks, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Bajaj Global Limited, Nivedita Mercantile and Financing Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plasticoats Private Limited, Ridhi Vinimay Private Limited,

# BAJAJ STEEL INDUSTRIES LIMITED

## SCHEDULES TO THE ACCOUNTS

Sidhi Vinimay Private Limited, Vidarbha TradelinK Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Bajaj Packaging, Gangalaxmi Agrotech Pvt Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited and Luk Bedrocks Private Limited.

3. Disclosures of transactions between the Company and related parties and the status of outstanding balances as on 31.03.2009:

a) Transactions

	Enterprises over which Key Management personnel and their relatives have significant influence		Key Management personnel and their relatives	
	2008-2009	2007-2008	2008-2009	2007-2008
	Rs.	Rs.	Rs.	Rs.
<u>Income</u>				
Lease Rent	-	249,600		
Rent	60,000	60,000		
Service Charge	135,600	201,009		
Sales	123,934	1,092,406		
Jobwork	241,882	250,874		
<u>Expenses</u>				
Computer Charges	66,453	59,585		
Furniture Hire Charges	180,000	180,000		
Interest	14,531,163	11,715,596		
Jobwork charges	10,308,503	13,628,851		
Processing charges	80,444,668	98,165,181		
Purchase	45,448,111	5,047,775		
Rent	2,604,000	2,712,000	336,000	336,000
Labour Supply Charges	27,060,481			
Vehicle Hire Charges	1,460,000	1,341,750		
Remuneration			4,599,600	4,406,640
Sitting Fees			18,000	20,000

b) Balances

	As at	
	31-3-2009	31-3-2008
	Rs.	Rs.
Debtors	1,80,999	47,262
Creditors	15,337,184	19,060,892
Loans Taken	106,194,605	96,781,202
Investments	665,064	665,064

- 10) On the basis of physical verification of assets, as specified in Accounting Standard – 28 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2009.
- 11) During the year under review, the Company has substantially reduced job work-given to others and employed more people to do the same. As such manufacturing & processing charges have gone down in the current year with commensurate increase in salaries, Wages and allowances.



## SCHEDULES TO THE ACCOUNTS

### 12. Segment Revenue, Results and Capital Employed

Sr. No.	Particulars	Steel Division		Plastic Division		Total of Segments		Unallocated		Total	
		2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1	Revenue	1,874,540,315	1,235,300,442	742,073,061	912,130,309	2,616,613,376	2,147,430,751	-	-	2,616,613,376	2,147,430,751
	Less: Inter-Segment Revenue	-	200,809	832,355	5,955.00	832,355	206,764	-	-	832,355	206,764
	<b>Total Revenue</b>	<b>1,874,540,315</b>	<b>1,235,099,633</b>	<b>741,240,706</b>	<b>912,124,354</b>	<b>2,615,781,021</b>	<b>2,147,223,987</b>	-	-	<b>2,615,781,021</b>	<b>2,147,223,987</b>
2	Result										
	Profit before Interest, Tax, Depreciation and Extra-Ordinary Items	275,646,154	164,349,854	45,625,061	8,366,617	321,271,215	172,716,471	-	-	321,271,215	172,716,471
	Less: Depreciation	42,096,376	17,047,603	1,042,169	4,790,898	43,138,545	21,838,501	-	-	43,138,545	21,838,501
	Less: Interest Expenses	4,938,613	549,867	39,790,451	41,820,026	44,729,064	42,369,893	-	-	44,729,064	42,369,893
	Add/ (Less) : Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
	- Current Tax	-	-	-	-	-	-	-	-	71,000,000	34,500,000
	- Wealth Tax	-	-	-	-	-	-	-	-	76,000	56,000
	- Deferred Tax	-	-	-	-	-	-	-	-	9,469,000	3,075,000
	- Fringe Benefit Tax	-	-	-	-	-	-	-	-	1,710,000	1,750,000
	- Securities Transaction Tax	-	72,881	-	-	-	72,881	-	-	-	72,881
	- Tax Adjustments	-	-	-	-	-	-	-	-	-	336,198
	<b>Net Profit</b>									<b>151,148,606</b>	<b>68,717,998</b>
3	Other Information										
	Segment Assets	799,592,181	711,529,809	210,908,996	301,589,243	1,010,501,177	1,013,119,052	120,972,148	50,286,612	1,131,473,325	1,063,405,664
	Segment Liabilities	418,815,404	476,612,252	203,975,706	306,367,023	622,791,110	782,979,275	133,968,000	61,182,000	756,759,110	844,161,275
	Capital Expenditure	157,747,286	107,271,142	1,960,499	165,927	159,707,785	107,437,069	-	-	159,707,785	107,437,069
	Depreciation	42,096,376	17,047,603	1,042,169	4,790,898	43,138,545	21,838,501	-	-	43,138,545	21,838,501

#### NOTES:

- 1 Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.
- 2 Since the Export Market Revenue is less than 10% of the total revenue, the same has not been reported as geographical segments.

## BAJAJ STEEL INDUSTRIES LIMITED

- 13) The disclosures required under accounting standard-15: Employees Benefit, notified in the company's (Accounting standard) Rules.

### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

	<u>2008-2009</u>	<u>2007-2008</u>
Employer's Contribution to Provident & Pension Fund	62.13	58.33

### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	<u>2008-2009</u>		<u>2007-2008</u>	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	93.62	22.59	116.71	21.41
Current Service Cost	7.02	6.04	10.36	5.81
Interest Cost	7.04	1.62	9.34	1.71
Actuarial (gain)/loss	(2.02)	4.04	46.82	(5.01)
Benefits (paid)	(5.11)	(3.38)	(89.61)	(1.33)
Defined Benefit obligation at year end	100.55	30.91	93.62	22.59
b. Reconciliation of fair value of assets and obligations				
Present value of obligation as at 31st March, 2009	100.55	30.91	93.62	22.59
Amount recognised in Balance Sheet	100.55	30.91	93.62	22.59
c. Expenses recognized during the year				
Current Service Cost	7.02	6.04	10.36	5.81
Interest Cost	7.04	1.62	9.34	1.71
Actuarial (gain) / loss	(2.02)	4.04	46.82	(5.01)
Net Cost	12.04	11.70	66.52	2.51
d. Actuarial assumptions				
Mortality Table (L.I.C.)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)
Discount rate (per annum) compounded	7.50% to 8.00%	7.50% to 7.75%	8.00%	8.00%
Rate of escalation in salary (per annum)	5.00% to 6.00%	5.00% to 6.00%	5.00% to 6.00%	5.00% to 6.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long term rate of return expected on investments of the fund during the estimated terms of the obligations. The above information is certified by the Actuary.



		2008-2009		2007-2008	
		Rs.	%	Rs.	%
14)	a) Raw Material consumed				
	Imported	261,103,289	18.11%	242,375,856	19.14%
	Indigenous	1,180,451,605	81.89%	1,024,075,492	80.86%
		<u>1,441,554,894</u>		<u>1,266,451,348</u>	
	Stores & Spare parts consumed				
	Indigenous	77,159,436	100.00%	93,685,294	100.00%
		<u>77,159,436</u>		<u>93,685,294</u>	
			<u>2008-2009</u>	<u>2007-2008</u>	
	b) CIF Value of Imports		Rs.	Rs.	
	Capital Goods		32,272,996	27,947,026	
	Raw Material		249,605,525	215,205,879	
	c) Earnings in Foreign Currency				
	FOB Value of Exports		164,024,075	195,225,076	
	d) Expenditure in Foreign Currency				
	Travelling expenses		1,168,629	1,838,718	
	Commission		795,721		
	Advertisement		563,051	439,363	
	Membership and Subscription		100,171	94,564	
	Testing Charges		750,968	1,913,699	
	Bank Charges		136,356	195,035	
	Books & Periodicals		40,640		
	Consultancy charges		2,836,160		
	Registration Fees		435,959		
15)	Raw Materials consumed:				
		<u>2008-2009</u>		<u>2007-2008</u>	
		Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
	a) Iron and steel	*	364,548,506	*	206,270,523
	Castings, gun metal, etc.	*	220,521,612	*	182,524,699
	Ball bearings	*	36,533,884	*	22,886,652
	Others	*	362,919,269	*	282,532,188
	b) Polymers	4485.157	305,281,376	6284.016	400,477,163
	Mineral Powders	16451.375	134,116,680	19925.675	154,344,459
	Chemicals	89.781	17,059,603	134.413	15,117,046
	Others	*	573,964	*	2,298,618
	* Not ascertainable		<u>1,441,554,894</u>		<u>1,266,451,348</u>
16)	Licensed and installed capacities:				
		<u>2008-2009</u>		<u>2007-2008</u>	
		Unit	Licensed Installed capacity *	Licensed Installed capacity *	Installed capacity
	Sacks/Fabrics	MTs	N.A.	N.A.	11250
	Master Batches	MTs	5000	N.A.	8280
	Machines assorted	Nos.	N.A.	N.A.	N.A.
			* As certified by the management		

**SCHEDULES TO THE ACCOUNTS**

**17. Opening Stock, Purchases, Production, Sales and Closing Stock**

ITEMS	Unit	Opening Stock		Purchases		Production		Sales		Closing Stock	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Qty.	Value (Rs.)	Qty.	Value (Rs.)	
a) D. R. Gins	Nos.	5	335,645	-	-	5743	5,747	533,592,987	1	67,129	
Liliput Gins	Nos.	(5)	(304,323)	(-)	(-)	(5003)	(5,003)	(412,685,895)	(5)	(335,645)	
		-	-	5	119,000	-	5	150,000	-	-	
Others		(-)	(-)	(2)	(45,024)	-	(2)	(51,690)	(-)	(-)	
		-	-	2,146	19,839,308	-	2,146	21,147,924	-	-	
b) Sacks and fabrics	MTs	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
		-	8,561,185	-	-	-	-	1,290,562,054	-	13,573,910	
Master Batches	MTs	-	(10,232,851)	-	(-)	-	-	(803,549,523)	-	(8,561,185)	
		28,638	1,918,058	-	-	-	5,504	406,039	23,134	1,488,040	
		(239,948)	(17,085,068)	(-)	(-)	(584,156)	(795,466)	(75,179,740)	(28,638)	(1,918,058)	
		1,227,761	30,340,933	-	-	20,289,835	20,496,630	623,005,824	1,020,966	22,152,581	
		(843,721)	(22,766,190)	(-)	(-)	(24,907,510)	(24,523,470)	(824,751,178)	(1,227,761)	(30,340,933)	
Others		-	(229,043)	-	(-)	-	-	89,998,466	-	(-)	
		-	41,155,821	-	19,958,308	-	-	2,558,863,294	-	37,281,660	
		-	(50,617,475)	-	(45,024)	-	-	(2,120,201,903)	-	(41,155,821)	

**Note:**

1. Production -

(A) Exclude:

Captive Consumption:

Sacks and fabrics

NIL (43.636 MT)

Master Batches

NIL (31.737 MT)

(B) Include:

Materials processed by outside Agencies:

Master Batches

16642.775 MT (20902.125 MT)

2. Previous year figures above are given in brackets.

18 Previous year figures are rearranged/regrouped wherever considered necessary



## 21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.

11936

State Code

11

Balance Sheet

Date

31

03

2009

Date

Month

Year

### II Capital raised during the year (Amount in Rs. Thousand)

Public Issue

Nil

Right Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

### III Position of Mobilisation and Deployment of funds

(Amount in Rs. Thousand)

Total Liabilities

673,187

Total Assets

673,187

Sources of Funds

Paid-up Capital

22,000

Reserves & Surplus

343,877

Secured Loans

87,985

Unsecured Loans

219,325

Application of Funds

\* Net Fixed Assets

351,479

Investments

16,463

Net Current Assets

314,082

Misc. Expenditure

NIL

Accumulated Losses

Nil

Deferred Tax - Net

8,837

\* Includes Capital Work In Progress 45,954

### IV Performance of Company

Turnover (Gross Revenue)

2,616,613

Total Expenditure

2,383,210

+/- Profit/Loss Before Tax

+

233,404

+/- Profit/Loss After Tax

+

151,149

Earning per share

68.70

Dividend Rate %

20



# BAJAJ STEEL INDUSTRIES LIMITED

V Generic Name of Three Products/Services of Company (as per monetary terms)

Item Code No.

(ITC Code)

Product Description

84451910

MACHINERY FOR COTTON GINNING AND PRESSING USED FOR

PREPARING TEXTILE FABRICS

Item Code No.

(ITC Code)

Product Description

392390.00

PLASTIC ARTICLES FOR PACKING OF GOODS - HDPE/PP

WOVEN SACKS

Item Code No.

(ITC Code)

Product Description

392690.09

OTHER ARTICLES OF PLASTICS - HDPE/PP WOVEN FABRICS

Signature to Schedule 1 to 21

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

Ashish Bajaj  
Whole Time Director

Rohit Bajaj  
Managing Director

H. G. Bajaj  
Chairman

KETAN CHHAWCHHARIA  
Partner  
Membership No. 63422

Sunil Bajaj  
Executive Director

L. C. Mutha  
R. K. Lohia  
Rajiv Ranka  
Ramadevi Ruia  
Directors

V. K. Bajaj  
K. K. Kela  
A. Goenka  
Directors

Place : Nagpur  
Date : 15<sup>th</sup>, September 2009

Jagdish Shirke  
Company Secretary



## BAJAJ STEEL INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009	2007-2008
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	233,403,606	108,508,077
Add: Adjusted for :		
Depreciation	43,138,545	21,838,501
Interest Expenses	44,729,064	42,369,893
	<u>321,271,215</u>	<u>172,716,471</u>
Less: Adjustments for :		
Profit on sale of Fixed Assets	(21,648,584)	(7,434,094)
Profit on sale of Investments		442,151
Interest & Dividend Received	(12,151,835)	(8,890,600)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>287,470,796</u>	<u>156,833,928</u>
Adjusted for Changes in Working Capital		
Trade Payables	(123,217,656)	110,927,099
Trade & Other receivables	33,391,613	3,593,675
Inventories	100,752,079	(75,758,322)
Cash generated from operations	<u>298,396,832</u>	<u>195,596,380</u>
Less: Interest paid	(44,729,064)	(42,369,893)
Direct Taxes paid/adjusted	(71,433,316)	(27,003,071)
Cash flow before extra ordinary items	<u>182,234,452</u>	<u>126,223,416</u>
Extra Ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>182,234,452</u>	<u>126,223,416</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	23,812,625	10,401,999
Sale of Investments	-	54,228,866
Purchase of Investments	-	(20,976,437)
Purchase of Fixed Assets	(159,707,785)	(107,437,069)
Interest & Dividend received	12,151,835	8,890,600
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(123,743,325)</u>	<u>(54,892,041)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividend paid	(4,400,000)	(4,400,000)
Proceeds from long term and other borrowings	(36,970,511)	46,645,176
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(41,370,511)</u>	<u>42,245,176</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u>17,120,616</u>	<u>113,576,551</u>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	143,919,711	30,343,160
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	161,040,327	143,919,711

NOTES: 01. Proceeds from long term and other borrowings are shown net of repayment.  
02. Cash and cash equivalents represent cash and bank balances only

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants

Ashish Bajaj  
Whole Time Director

Rohit Bajaj  
Managing Director

H. G. Bajaj  
Chairman

KETAN CHHAWCHHARIA  
Partner  
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Directors

V. K. Bajaj  
K. K. Kela  
A. Goenka  
Directors

Place : Nagpur  
Date : 15<sup>th</sup>, September 2009

Jagdish Shirke  
Company Secretary

# BAJAJ STEEL INDUSTRIES LIMITED

Registered Office : Imambada Road, Nagpur - 440 018 (India)

## ATTENDANCE SLIP

I \_\_\_\_\_ Folio No. \_\_\_\_\_ record  
my presence at the **Forty Eighth Annual General Meeting** held on Thursday,  
the 29<sup>th</sup>, October, 2009 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Opp. Sales Tax  
Office, Civil Lines, Nagpur - 440 001.

Signature (s) of the Shareholder (s) \_\_\_\_\_

# BAJAJ STEEL INDUSTRIES LIMITED

Registered Office : Imambada Road, Nagpur - 440 018 (India)

## PROXY FORM

I/We \_\_\_\_\_ Folio No. \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being  
the Shareholder (s) of the above - named Company hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for  
me / us on my / our behalf at the Forty Eighth Annual General Meeting of the  
Company to be held on Thursday, the 29<sup>th</sup>, October, 2009 at 4.00 P.M. and at  
any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009  
Signature \_\_\_\_\_

AFFIX  
1 Re.  
REVENUE  
STAMP

- N.B. (i) The Proxy need not be a member.  
(ii) The Proxy form duly signed and stamped should reach the Company's  
office at least 48 hours before the time of the meeting

Book - Post

If undelivered please return to :

 **BAJAJ STEEL INDUSTRIES LIMITED**  
Imambada Road, NAGPUR-440 018 (INDIA)