

22nd Annual Report
2008-09

Customers First

■ **Board of Directors**

Mr. Kailash Chandra Shahra	-	Chairman
Mr. Santosh Kumar Shahra	-	Vice - Chairman
Mr. Umesh Shahra	-	Managing Director
Mr. Arvind Mishra	-	Executive Director
Mr. Ashok Khasgiwala	-	Director
Mr. Veer Kumar Jain	-	Director
Mr. Suneet Shukla	-	Director (Nominee : IFCI Ltd.)
Mr. Navin Khandelwal	-	Director
Mr. Manish Jain	-	Director
Mr. Vijay Kumar Mahajan	-	Director (w.e.f. 30/09/2008)

■ **Company Secretary**

CS Vinay Gupta

■ **Auditors**

Arun Maheshwari & Company
8/9, Mahesh Nagar, Indore (M.P.)

■ **Registered Office**

611, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021

■ **Registrar & Share Transfer Agent**

Sarthak Global Limited
Avanti House, 170/10, Film Colony,
R.N.T. Marg, Indore (M.P.) 452 001

■ **Factory**

Village : Sejwaya
District : Dhar (M.P.)

■ **Bankers**

State Bank of India
State Bank of Indore
Dena Bank
The Jammu & Kashmir Bank Ltd.
United Bank of India

Members are requested to bring their copy of Annual Report alongwith them at the Annual General Meeting.

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Annual General Meeting will be held on
30th September, 2009 at 3.00 P.M. at
Suvile Delux Pavillion, Suvile Building,
9, Dr. Annie Besant Road, Worli, Mumbai - 18

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on 30th September, 2009 at 3.00 P.M. at Sunvile Deluxe Pavillion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended as on 31st March, 2009 together with the Report of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Chandra Shahra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Veer Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Arvind Mishra who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of Next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. To Consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Vijay Kumar Mahajan, who was appointed as an additional director of the Company in terms of provisions of section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in terms of provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in Articles of Association of the Company and Consent of the Members of the Company be and is hereby accorded to commence / carry on businesses and activities under sub clauses 96 to 102 of Clause (III) C of the Memorandum of Association of the Company as produced herein below in a manner not detriment to the interest of existing business of the Company:

- 96 *To generate, develop, accumulate, distribute, buy, sale, transmit or otherwise deal in conventional and non conventional sources of energy and to install and operate such power generation plant any where in India and abroad and to undertake all forms of construction activities for these purposes including dams, power houses, roads and to undertake all types of water works and related activities for these proposes.*
- 97 *To produce, buy, sale, treat, exchange, renovate, alter, modernize, install or otherwise deal in any type of machine or equipment for generating, distributing, transmitting energy including electricity and to deal with all persons including Companies, Government and Semi-Government bodies for these purpose and to deal with all places including cities, towns, villages, districts, docks, markets, theaters, building, industries, offices etc.*
- 98 *To takeover existing generation plants, companies, distributions, transmission system and to acquire, takeover any license, concessions for energy generation, distribution, transmission and to carry on the business of an electric, power, light, supply company and in particular to construct, lay down, establish, fix and to carry out all necessary power stations, cables, wires, lines, accumulators, lamps, works, water rights, canals, gas works, electric works, reservoirs, water course furnaces, stamping works, smelting works, factories, warehouses and other works and conveniences.*

- 99 To establish centers for research, development and innovations in the field of power generation, production, distribution by conventional and non-conventional sources of energy.
- 100 To give consultancy services of all kinds for erections, commission and operation of conventional and non-conventional power plants/projects including revamping and modernization of all existing plants and matters related thereto.
- 101 Acquisition, operation and maintenance of low tension and high tension transformers of all designs, voltages and ratings, current transformers, power transformers, voltage regulators, battery charges, battery eliminations, voltages testing sets, conductors fittings, switches, relays, alarms, indicators, transmission towers, high voltage electrical porcelain bushings, HT and LT line equipments and accessories, HRC fuses, fuse bases, vacuum circuit breakers, oil circuit breakers, constructors, relays, conductors, cables and wires.
- 102 To acquire lignite, coal, gas or any other fuel, gypsum or mines bearing such items, land, building, rocks, mineral deposits, mining rights, plantations, forests and any rights and privileges or interest therein by purchase or lease or grant or assignment, transfer or otherwise or exchange or under amalgamation, licence or concession or otherwise and to explore work, exercise, develop, administer, manage or control and to turn to account the same.

FURTHER RESOLVED THAT Mr. Umesh Shahra, Managing Director of the Company and Mr. Vinay Gupta, Company Secretary of the Company be and are hereby severally authorized to do all such things and acts, as may be necessary and expedient in this regard including filing of necessary form and returns with the Registrar of Companies, Maharashtra."

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 7,00,000 (Seven Lacs), 5% Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each to Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 32,00,000 (Thirty Two Lacs), 5% Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each."

9. To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the existing Clause V of Memorandum of Association of the Company be substituted by the following:

- V The Authorised Share Capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 32,00,000 (Thirty Two Lacs), 5% Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each, with power for the Company to increase or reduce the said Capital and to issue any part of its Capital original or increased with or without any preference, priority or special privilege or subject to any postponement of right or to any conditions restrictions and so that unless the condition of issue shall otherwise expressly declare every issue of Share whether declared to be preference or otherwise shall be subject to the power hereinafter contained. The rights of the Capital of the Company may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three forth of the Shares of the class or with sanction of special resolution of the members of the class provided by the Articles of Association or as altered by special resolution."

10. To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions, if any, Article 3 of the Articles of Association of the Company be read as under by deleting the existing article:

3. *The Authorised Share Capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 32,00,000 (Thirty Two Lacs), 5% Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each, with power for the Company to increase or reduce the said Capital and to issue any part of its Capital original or increased with or without any preference, priority or special privilege or subject to any postponement of right or to any conditions restrictions and so that unless the condition of issue shall otherwise expressly declare every issue of Share whether declared to be preference or otherwise shall be subject to the power hereinafter contained. The rights of the Capital of the Company may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three forth of the Shares of the class or with sanction of special resolution of the members of the class provided by the Articles of Association or as altered by special resolution."*

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT as per the provisions of Section 80 and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article 4 of the Articles of Association of the Company and subject to SEBI approvals, if any and other statutory provisions, required, if any, 25,00,000, 5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each forming part of the Authorised Share Capital of the Company be issued at par, allotted to the Promoters Group, their relatives, Bodies Corporate or any other person or persons as the Board of Directors may deem fit in one or more tranches as the Board may deem fit, subject to the following terms and conditions:

1. The holders of the shares shall be entitled to receive a preferential dividend of 5% per annum in respect of the amount paid up on the shares;
2. The holders of the shares shall be entitled to attend meetings and vote on resolution directly affecting their rights on all resolutions at every meeting of the Company;
3. In the event of winding up, the holders of the shares shall be entitled to preferential right of return of the Capital paid up thereon but without any further right or claim over the assets of the Company; and

RESOLVED FURTHER THAT notwithstanding anything contained in Section 81(1A) and other applicable provisions, (if any) of the Companies Act, 1956 the aforesaid 25,00,000, 5% Non-Cumulative Redeemable Preference Shares to be issued as aforesaid, may be offered by the Directors of the Company to Promoters, their relative, Bodies Corporate or any person or persons (whether or not such person or persons include the person or persons who at the date of offer are holders of equity shares of the company) in any manner whatsoever.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorized to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in this regard and accept on behalf of the Company, any modifications to these terms which may be required under any statutory obligations or otherwise and which the Directors in their discretion think fit and proper."

12. To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions, if any, the following Articles of Articles of Association of the company be altered/inserted as under:

Article 2(l) to be substituted with the following:

In writing and written

2(l) "in writing" and "Written" include printing, lithography and other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.

Article 2(x) to be substituted with the following:

Secretary

2(x) "Secretary" means an individual as defined under section 2(45) of the Companies Act, 1956.

Article 4A to be inserted after existing Article 4 as under :

Differential Voting Rights:

4A. Notwithstanding anything contained in these Articles, Company can issue Equity Shares with differential voting rights as per the provisions of Section 86 of the Act and Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001.

In Article 9(ii) the words "and / or Scheduled Banks" to be inserted after the words "Public Financial Institution" wherever appears.

In Articles 10(1), 10(2), 11 and 20 (c) the words "Share Premium Account" to be substituted with the words "Securities Premium Account" wherever appears.

To insert Article 17A after existing Article 17 as under :

Buyback of Securities

17A. In accordance with the provisions of Section 77A, 77AA and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time but subject to the provisions of Section 77A (2) and 77B, a Company may purchase its own shares or other specified securities (hereinafter referred to as "buy-back").

To introduce heading "PROVISIONS TO APPLY ON ISSUE OF REDEEMABLE PREFERENCE SHARES" before Article 18 and the same be deleted as presently mentioned before Article 20.

In Articles 19(b)(i) and 19(b)(v) the words "15 years" to be substituted with the words "20 years".

Article 25 i (c) and 25 ii (1) and (2) to be substituted with the following :

25 i. (c) Subject to the Provisions of the Companies (Issue of Share Certificates) Rules, 1960 every such Certificate shall be issued under the seal of the Company which shall be affixed in the presence of (i) two directors or persons acting on behalf of the directors under a duly registered power of attorney; and (ii) the secretary or some other person appointed by the Board for the purpose. The two directors or their attorneys and the secretary or other person shall sign the share certificate.

25 ii. (1) Any two or more joint allottees of a share shall, for the purpose of these Articles, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any of the such joint owners on behalf of all of them.

25 ii. (2) For any further certificate the Board shall be entitled, but shall not be bound, to charge a fee as may be prescribed under the Companies (Issue of Share Certificates) Rules, 1960.

To insert Article 25 iv. after Article 25 iii. as under :

25 iv. Where a new share certificate has been issued in pursuance of these Articles, it shall state on the face of it against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate number..... sub-divided/replaced/on consolidation of shares".

In article 29 words "153(B) or Section 187(B) or" be deleted.

To introduce heading "SHARE WARRANTS" after Article 29.

Article 29A to 29C be inserted after existing Article 29 as under :

29A Subject to the provisions of the SEBI (Disclosure and Investors Protection) Guidelines as may be applicable from time to time and with the consent of the Members of the Company at a General Meeting by way of Special Resolution, the Board of Directors of the Company or a Committee thereof duly authorised by the Board of Directors may issue and allot Warrants convertible into the Equity Shares on such rate, terms and conditions to the existing shareholders, general public, or on preferential basis to the promoters, directors, bodies corporate, banks, financial institutions, OCBs, NRIs or such other persons from time to time on receipt of the upfront amount as may be prescribed from time to time on the face value of the Warrants, as it may deem fit. Board of Directors of the Company shall be authorized to make provisions as to the allotment and issue of Warrants and in particular may determine to whom the same shall be offered whether at par or at premium subject to the provisions of the Companies Act, 1956 and all the applicable provisions of the SEBI Guidelines and other applicable provisions if any from time to time.

29B The Company may by special resolution authorize the Board to convert warrants into the equity shares at such rates (including premium), terms and conditions as may be determined by the Board and in accordance with the guidelines issue by the SEBI, Stock Exchange, Central Government or other authorities either on single trench or otherwise as per the discretion of the Board.

29C The Board may from time to time subject to the terms on which any warrants convertible into equity shares may have been issued make call upon the warrants holders in respect of the balance amount unpaid on the warrants held by them respectively at the time of providing option for conversion of warrants into the equity shares of the Company and shall be payable at such fixed times by the warrant holder who shall pay the amount of the call made on them at time and places appointed by the Board. In case of failure to exercise the option and make payment thereof, the amount so deposited at the time of allotment of warrant shall be forfeited by the Board.

Articles 44, 45 and 46 to be substituted with the following :

Company to have lien on shares

44. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or Debenture holder (whether held singly or jointly with others) in respect of all monies, whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article. Notwithstanding anything contained hereinabove, Company shall have lien on fully paid shares or debentures and such lien shall extend only in respect of payment of excess dividend/interest or any sums owing to the Company by a member/debenture holder.

Enforcement of lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and/or debentures and may authorize one of their member or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46.(a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.

46.(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

Article 97(2) to be substituted with the following :

97 (2) The number of members entitled to requisition a meeting in regard to any matter shall be (a) such number as held at the date of the deposit of the requisition, not less than one twentieth of such of the paid up capital of the Company as at that date carried the right of voting in regard to that matter; or (b) not less than one hundred members having the right aforesaid and holding shares in the company on which there has been paid-up an aggregate sum of not less than one lakh of rupees in all.

Article 142(a) to be substituted with the following:

142. (a) Unless otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 & 259 of the Act, number of Directors including Debenture Directors, Special Directors and corporation Directors, (if any) shall be not less than 3 and not more than 12.

Article 150 to be substituted with the following:

150. The amount of remuneration by way of fees for each meeting of the Board of Directors or a Committee thereof shall be governed according to Rule 10B of Companies (Central Government's) General Rules & Forms, 1956.

Article 155 to be substituted with the following:

155. (a) The Company may (subject to the provision of Section 284 and other applicable provisions of the Act and these Articles) by Ordinary Resolution remove any Director before the expiry of his period of office.

(b) Special notice as provided under Section 190 of the Act shall be required of any Resolution to remove a Director under this article or to appoint other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of a Resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the Resolution at the meeting.

(d) Whether a notice is given of a Resolution to remove a Director under the Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and requests their notification so members of the Company, the Company shall, unless the representation are received by it too late for it to do so, (i) in the notice of the Resolution given to members of the Company state the fact of the representation having been made, and (ii) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (before or after the representation) by the Company and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting provided that the copies of representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 145 and or Section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed; provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under sub-clause (e) it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Articles 150 and all the provisions of the Article shall apply accordingly.

(g) Nothing contained in this Article shall be taken:

(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Directors; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

Article 159 to be substituted with the following:

159. No Director shall as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

Article 173A to be inserted after the existing article 173 as under :

Appointment of Senior Executives as Whole-time Directors

173 A (a) Subject to the provisions of the Act and within the overall limit prescribed under the Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Whole-time Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

(i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole-time Director.

(ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.

(iii) He shall cease to be a Director of the Company on the happening of any event specified in Section 283 and 314 (2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.

(iv) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.

(v) His remuneration shall be fixed by the Board and shall be subject to the approval of the Company in General Meeting and of the Central Government as may be required under the provisions of the Act.

173 A (b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such Whole time Directors.

In Article 193 (11) the words "370,372 and 373" to be substituted by "372A".

Article 193 (22) to be substituted with the following :

193 (22) Subject to the provisions of section 297,299 and 300 of the Act, the Company can enter into all negotiations, contracts and agreements and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

Article 193 (22A) be inserted after the existing Article 193 (22) as under :

193 (22A) Particulars of every such contract or arrangement to which Section 297 or as the case may be, sub-section (2) of Section 299 applies, shall be entered in the relevant register aforesaid.

(i) In the case of contract or arrangement requiring the Board's approval within seven (exclusive of public days) of the meeting of the Board at which the contract or arrangement is approved;

(ii) In the case of any other contract or arrangement, within seven days of the receipt at the Registered Office of the particulars of such other contractor or arrangement.

In article 208 the words "fourty two days" to be substituted by the words "thirty days."

In article 209 (a) the words "42 days" to be substituted by the words "30 days" wherever appearing.

Article 216(1) to be substituted with the following :

216. (1) The Profit and Loss Account and Balance Sheet shall be signed by Manager or Secretary, if any and by not less than two Directors of the Company one of whom shall be a Managing Director where there is one, provided that if there is only one Director present in India at the time or that the other Directors are not available for any reason, the Profit and Loss Account and Balance Sheet shall be signed by such Director but in such a case there shall be sub-joined to the Profit and Loss Account and Balance Sheet a statement signed by such Director explaining the reason for non-compliance with the aforesaid provision requiring the signature of two Directors.

To insert Article 241 after the existing Article 240 as under :

General Power

241. Wherever in the Companies Act, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

FURTHER RESOLVED THAT Mr. Umesh Shahra, Managing Director of the Company and Mr. Vinay Gupta, Company Secretary of the Company be and are hereby severally authorized to do all such things and acts, as may be necessary and expedient in this regard including filing of necessary form and returns with the Registrar of Companies, Maharastra."

By Order of the Board

Date: 31st July, 2009

Place : Indore

CS Vinay Gupta
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the registered office of the company not less than 48 Hours before the time fixed for the meeting.
3. Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956, setting out the material facts in respect to the business under Item No. 6 to 12 are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement, of persons seeking appointment/ re-appointment as Directors are also annexed.
4. Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2009 to 30th September, 2009 (both days inclusive).
5. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

EXPLANATORY STATEMENT

Explanatory Statement under Section 173(2) of the Companies Act, 1956

ITEM NO. 6

Mr. Vijay Kumar Mahajan, who is a Human Resource Consultant, was appointed as an additional director of the Company on 30th September, 2008 in terms of provisions of section 260 of the Companies Act, 1956 and he holds office up to the date of this Annual General Meeting and Company has received a notice in terms of provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.

This resolution requires approval of members by way of Ordinary Resolution. The Board of Directors recommends the approval by the members by way of Ordinary Resolution.

None of the Directors of the Company are interested except Mr. Vijay Kumar Mahajan.

ITEM NO. 7

Your Board wishes to explore and if opportunities are found, it wishes to enter in power & mining sectors, beside the existing line of business and generate income. The main object clause of Memorandum of Association of Company does not include above activities. The said activities are covered under Clauses 96 to 102 of Other Object Clause of Memorandum of Association. For commencing the business mentioned in other Object Clause as per provisions of Section 149(2A) of the Companies Act, 1956 approval of members in the General Meeting by way of Special Resolution is required, thus the Board put the above resolution for your approval.

None of the Directors of the Company are interested in this resolution.

ITEM NO. 8, 9, 10 & 11

The Company proposes to increase its authorized shares capital by Rs 25,00,00,000/- (Rupees Twenty Five Crores Only) from present authorized Capital of the Company i.e. Rs.40,00,00,000/- (Rupees Forty Crore Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Share of Rs.10/- (Rupees Ten Only) each and 7,00,000 (Seven Lac) 5%, Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each to Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) divided into 3,30,00,000 (Three Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 32,00,000 (Thirty Two Lacs), 5%, Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each; into Preference Shares Capital so as to move the proposal for issuing the above preference shares. Therefore there is a need to alter the Memorandum and Articles of Association of the Company for consequential changes.

The new bifurcation of the Authorized Share Capital after such increase and re-classification will be as under:

Authorized Share Capital (In Rupees)		Number of Shares	Face Value of Share
Equity Share Capital	33,00,00,000/-	3,30,00,000	Rs.10/- each
Preference Share Capital	32,00,00,000/-	32,00,000	Rs.100/- each
TOTAL	65,00,00,000/-		

To infuse Preference Capital as Margin for availing Working Capital Term Loan(s) for partially funding the losses incurred during the previous financial year, the Company proposes to issue 25,00,000, 5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each, which will be redeemed on completion of Fourteen Years from the date of the issue.

The 5% Non-Cumulative Redeemable Preference Shares will be allotted to directors, relatives, friends, associates, bodies corporate or to any other person or persons on preferential basis in one or more trenches as the Board may deem fit.

The resolution no. 8 requires approval of the members in the General Meeting by way of Ordinary Resolution and resolutions no. 9 to 11 requires approval of members in the General Meeting by way of Special Resolution, thus the Board put the above resolutions for your approval.

The Directors of your company may be deemed to be interested or concerned to the extent of 5% Non Cumulative Redeemable Preference Shares that may be allotted to themselves and such associates. Except as aforesaid none of the other such directors of the company is, in any way, concerned or interested in the resolution.

ITEM NO. 12

There is a need to alter the Articles of Association of the Company in view of changes in various Acts, Rules and Regulations over a period of time and to align the same with needs of new business environment and challenges.

This resolution requires approval of members by way of Special Resolution according to provisions of Section 31 of the Companies Act, 1956. The Board of Directors recommends the approval of the members by way of Special Resolution.

None of the Directors of the Company are interested in the resolution.

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Mr. Kailash Chandra Shahra	Mr. Veer Kumar Jain	Mr. Arvind Mishra	Mr. Vijay Kumar Mahajan
Date of Birth	31/01/1931	12/04/1958	01/07/1960	01/02/1952
Qualifications	B.Com., LLB	B.Com., LLB	B.E. (Mech.)	B.Sc., Engg (Production) Hons.
Directorships held in other Public Companies (excluding foreign and Section 25 Companies)	-Ruchi Soya Industries Limited -Anik Industries Limited -Indian Steel Corporation Limited -National Steel and Agro Industries Limited -National Board of Trade Limited -Federation of Indian Commodity Exchange Limited	NIL	Steel Technologies India Limited	NIL
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Audit Committee -National Steel and Agro Industries Limited Investor Grievance Committee -Ruchi Soya Industries Limited	NIL	NIL	NIL
Number of Shares held in Company	NIL	NIL	NIL	NIL

DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting 22nd Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

1. OPERATIONAL PERFORMANCE

		(Rs. in lacs)
Financial Results	31.03.2009	31.03.2008
Sales & Other Income	55398.58	45292.52
Gross Profit/(Loss)	(964.81)	1626.21
Depreciation and Interest	2349.76	1419.57
Profit/(Loss) before Tax	(3314.57)	206.64
Provision for Tax	(29.43)	143.20
Deferred Tax (Assets)/Liabilities	(1126.71)	11.80
Profit after Tax	(2158.43)	51.64

2. DIVIDEND

Due to losses incurred by the Company in financial year 2008-09, your Directors express their inability to recommend any dividend for the year under review.

3. DIRECTORS

During the year Mr. Vijay Kumar Mahajan was appointed as an Additional Director and it is proposed to appoint him as Director at the ensuing Annual General Meeting.

Mr. Kailash Chandra Shahra, Mr. Veer Kumar Jain and Mr. Arvind Mishra retire by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer themselves for re-appointment.

4. CORPORATE GOVERNANCE

Schedule on Corporate Governance is enclosed as a part of Director's Report.

5. FIXED DEPOSITS

Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under during the financial year 2008-09. However at the Meeting of Board of Directors held on 22nd May 2009, it was decided to accept deposits and Company has accepted deposits thereafter in accordance with provisions of Section 58A of the Companies Act, 1956 and rules made there under.

6. FORFEITURE OF EQUITY SHARES

The Board of Directors at their meeting held on 22nd May 2009, forfeited 34,200 partly paid-up Equity Shares held by 246 Shareholders on which allotment money was unpaid. These Equity Shares were issued by the Company in the year 1990 vide Initial Public Offer and since then allotment money was unpaid despite reminders.

7. ALTERATION IN THE RIGHTS OF PREFERENCE SHAREHOLDERS

During the year the term of redemption of 5% Non-Cumulative Redeemable Preference Shares has been altered and increased from Ten years to Fourteen years by Postal Ballot under the provisions of Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. These Preference Shares were issued to meet the Capital expenditure in connection with the Technology Up-gradation Cum Expansion of Capacity by Equipment Balancing in Cold Rolled Steel manufacturing plant at Sejwya (Dist. Dhar), M.P. and also to meet the increased working capital needs. The company has altered and increased term of redemption on the request of Bankers that the term of repayment of these shares should be more than 12 years.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms:

- (i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

9. CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

Details of Energy conservation and Research and Development activities undertaken by the Company alongwith the information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given as Annexure to this Report.

10. AUDITORS

M/s Arun Maheshwari & Company, Chartered Accountants, Auditors of the Company hold office upto the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your board recommends their reappointment.

11. AUDITOR'S REPORT

Auditor's Report is self explanatory except qualification regarding confirmation and reconciliation of balances of debtors, creditors, advances and deposits. The same is explained in Note no. 15 of Notes on Accounts.

12. LISTING AT STOCK EXCHANGES

Company's Equity Shares continue to be listed on Bombay Stock Exchange Limited (BSE).

13. CEO & CFO CERTIFICATION

The Board of Directors have received certificate from Managing Director and CFO under Clause 49(v) of listing agreement.

14. PARTICULARS OF EMPLOYEE'S

None of the employee of the company was paid remuneration in excess of the limit. Therefore, the particulars of employees, as required by the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended by the Companies (Amended) Act, 1988 are nil.

15. INDUSTRIAL RELATIONS

Relations with the employees continued to remain cordial throughout the year. Your Directors wish to place on record their appreciation for sincere and dedicated services rendered by the executives, staff and workers at all levels.

16. ACKNOWLEDGMENT

The Directors wish to place on record their appreciation for the sincere cooperation extended by the shareholders, Bankers and all other Government Agencies in carrying out the business of the Company.

By Order of the Board of Directors

Place : Indore
Date : July 31, 2009

Kailash Chandra Shahra
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE A

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 2009.

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

	2008-2009	2007-2008
Production (MT)	54166.904	61161.663
1. Electricity		
a. Purchased Unit (KWH)	9619115	9776593
Amount (Rs. in lacs)	467.95	459.31
Rate/Unit (Rs.)	4.86	5.11
b. Own Generation		
(i) Through Diesel Generator	Nil	Nil
(ii) Through Steam Generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other		
(a) HSD		
Quantity (Ltrs.)	168294	74600
Total Amount (Rs. in lacs)	65.77	27.86
Avg. Rate (Per Ltr.)	39.08	37.36
(b) Kerosene		
Quantity (Ltrs.)	97558	706014
Total Amount (Rs. in lacs)	31.55	210.38
Avg. Rate (Per Ltr.)	32.34	29.81
(c) L.P.G.		
Quantity (MMBTU Per.)	54754.101	39630.779
Amount (Rs. in lacs)	256.22	162.45
Avg. Rate (MMBTU Per.)	467.94	409.92

B. CONSUMPTION PER UNIT OF PRODUCTION (PMT)

Product : Cold Rolled Steel Strips/Sheet		
Electricity (KWH)	177.58	159.85
others		
a. HSD (Ltrs.)	3.11	1.22
b. LPG (MMBTU)	1.01	0.65
c. Kerosene (Ltrs.)	1.80	11.54

FORM - B

(Form for Disclosure of Particulars with respect to technology absorption)

RESEARCH & DEVELOPMENT (R & D)

The Company continues to work on its long range plans to improve and enlarge its product range. However, there was no expenditure on research and development.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Barring a few components which are not available indigenously at competitive prices and of desired quality the Company has made every effort to indigenously develop the spares and components for the imported machinery as well as indigenous machinery to minimize the imports. Many components have been developed indigenously for the imported mill also at such lower cost. The company has successfully absorbed the technology.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has made export during the year under review and has been taking keen interest for developing new export market. The foreign exchange earned on export was Rs.1543.47 lacs (Previous year Rs.2606.53 lacs). The expenditure in foreign exchange during the year under review is Rs.5661.74 lacs (Previous year Rs.9389.98 lacs).

For and on behalf of the Board of Directors

Place : Indore
Date : July 31, 2009

Kailash Chandra Shahra
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

Your company is engaged in the business of servicing different industries with particular focus on Auto, White goods, electrical and general engineering segments. Your company manufactures cold rolled steel coils and sheets to International Standards, in the wide range; low carbon, mild steel CR products, in thickness ranging from 0.11 mm to 2.00 mm & up to a maximum width of 1000 mm, both in coil & sheet form. Your company is also one of the few Indian manufacturers of ultra thin 0.11, 0.14 mm CR Coil extensively used for galvanizing. Major grades manufactured are O, D, DD & EDD of non – aging, critical & super EDD CRCA, automobile structure grades, TMBP, Galvanizing Grades, Porcelain Enameling, Corrosion Resistance grade.

In Semi-processed electrical steel your company is market leader among organized CR manufacturers and its brand RUMAG is well known in the stamping industry. "RUFIL" is another brand, which is used by auto filter manufacturers in large volumes.

Industry Outlook:

In spite of steep increase in prices of HR coils, your company has done well to manage to keep the production volumes in tact. Auto and user industry had an initial resistance, but accepted the fact and gave the price increase. However, due to severe recession from third quarter of this financial year, auto production was affected. If this recessionary trend continues, there will be a negative growth in the industry, specially in auto and white goods industry.

Risk and Concerns:

If the international prices comes down in the last quarter of this calendar year 2009, coupled with recession and low production in auto and white goods industry, your company's profitability will get affected adversely. The other major concern is the entry of large integrated steel plants into CR manufacturing, with large volume of production capacity.

Internal Control Systems and Adequacy:

The company has good internal control systems, which is being recognized and company has been awarded ISO: 9001:2000 certification, the adequacy of which has also been reported by its auditors in their report as required under the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India. Adequate system of internal control is in place of which assures us of:

- Proper recording and safeguarding of assets.
- Maintaining proper accounting record and reliability of financial information.

Environment Management System:

The company is committed to demonstrate continual improvement in our environmental performance in line with corporate values and stock holder's expectations. Company has been awarded ISO:14001:2004 certification in July, 2007. Company has already been switched over to R-LNG as Annealing fuel to reduce stack emission & help environment.

Development in Human Resources and Industrial Relation:

The Industrial relations climate of the company continues to remain harmonious and cordial with focus on improving productivity, quality and safety.

Financial and Operating performance:

Summarized Profit and Loss Account for the year ended 31st March, 2009 is as under:-

	31.03.2009	(Rs. in lacs) 31.03.2008
Financial Results		
Sales & Other Income	55398.58	45292.52
Gross Profit/(Loss)	(964.81)	1626.21
Depreciation and Interest	2349.76	1419.57
Profit/(Loss) before Tax	(3314.57)	206.64
Provision for Tax	(29.43)	143.20
Deferred Tax (Assets)/Liabilities	(1126.71)	11.80
Profit after Tax	(2158.43)	51.64

During the year under review, the sales and other income was Rs. 55398.58 lacs compared to the previous year figures of Rs. 45292.52. The production of finished goods was 54166.904 MT during the year 2008-09 as compared to 61161.663 MT during the previous year.

Fiscal 2008-09 was a tough year for the steel industry and the national economy as a whole due to world-wide recession, effects of which are still continuing.

Segment-wise Performance:

The segment-wise performance is available in Schedule S accounting policies and notes on accounts to the Audited Accounts of the Company.

Statements in this "Management Discussion Analysis" describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operation include raw material availability and prices, changes in government regulations, tax regimes, economic developments in India and the countries in which the Company conduct business and other incidental factors.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Ruchi Strips and Alloys Limited (RSAL) has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. We have always aimed to build trust with shareholders, employees, customers, suppliers and diverse stakeholders and to meet expectations of various elements of corporate environment. We believe in transparent and fair corporate actions with adequate disclosure and total accountability.

RSAL has been discharging its statutory obligations and duties and has always complied with statutory and regulatory requirements. Given below are the company's corporate governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement.

A report on implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below:-

1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

2. RSAL Board presently consists of a majority of non-executive/independent directors, many of whom are acknowledged as leading professionals in their respective fields. The Board comprises of two (2) Executive Directors, two (2) Non-Executive Directors, five (5) Independent Directors and one (1) Professional Director.

Name of Director	Executive/Non-Executive/Independent	No. of other Directorship* (Chairman)	Membership of other Board Committees (Chairman)
Mr. Kailash Chandra Shahra	Non-Executive	6(5)	3(1)
Mr. Santosh Kumar Shahra	Non-Executive	8	-
Mr. Umesh Shahra	Executive	9	2(1)
Mr. Arvind Mishra	Executive	1	-
Mr. Ashok Khasgiwala	Professional	-	-
Mr. Veer Kumar Jain	Independent	-	-
Mr. Navin Khandelwal	Independent	3	4(4)
Mr. Manish Jain	Independent	-	-
Mr. Suneet Shukla (IFCI Nominee)	Independent	-	-
Mr. Vijay Kumar Mahajan (w.e.f. 30/09/2008)	Independent	-	-

This includes directorship held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorship held in Private Limited Companies and Overseas Companies.

Attendance of Directors in Board Meetings and Annual General Meeting

The Board of the Company met five times during last financial year, on following dates :

- (1) 10/05/2008 (2) 28/06/2008 (3) 31/07/2008
 (4) 27/10/2008 (5) 23/01/2009

The attendance at the Board Meetings and Annual General Meeting were as under:

Name of Director	Attendance	
	Board Meeting	AGM
Mr. Kailash Chandra Shahra	2	✓
Mr. Santosh Kumar Shahra	0	X
Mr. Umesh Shahra	5	✓
Mr. Arvind Mishra	5	X
Mr. Ashok Khasgiwala	4	X
Mr. Veer Kumar Jain	2	X
Mr. Navin Khandelwal	3	✓
Mr. Manish Jain	5	✓
Mr. Suneet Shukla (IFCI Nominee)	4	X
Mr. Vijay Kumar Mahajan (w.e.f. 30.09.2008)	2	X

3. Remuneration to Directors

(a) Remuneration of Managing Director

The terms of remuneration of Mr. Umesh Shahra, Managing Director was approved by the Shareholders in 19th Annual General Meeting for the period upto 30th September 2008 and in 21st Annual General Meeting for a period of three years from 1st October 2008. During the financial year 2008-09 the particulars of remuneration paid to Mr. Umesh Shahra, Managing Director is as under:-

Particulars of remuneration:

1. Salary	Rs. 13,78,064/-
2. Allowances	Rs. 3,44,516/-
3. Contribution to Provident & other Fund	Rs. 1,65,368/-

(b) Remuneration to Whole - Time Director

The appointment and terms of remuneration of Mr. Arvind Mishra, Whole-time Director was passed by the Directors of the Board through Circular Resolution dated 25th March, 2008 and was approved by the Shareholders in 21st Annual General Meeting. During the financial year 2008-09 the particulars of remuneration paid to Mr. Arvind Mishra, Whole-time Director is as under:-

Particulars of remuneration :

1. Salary	Rs. 2,84,224/-
2. Ex-gratia	Rs. 20,775/-
3. Allowances	Rs. 4,13,084/-
4. Contribution to Provident & other Fund	Rs. 34,107/-

Remuneration to Non-Executive Directors:

During the financial year 2008-09 sitting fees paid to Non-Executive Directors amounted to Rs.51,000/-.

No commission was paid to the Non-executive Directors during the financial year 2008-09.

4. Audit Committee

Audit Committee met five times during the financial year 2008-09. The dates are as follows:-

(1) 14/05/2008	(2) 26/06/2008	(3) 31/07/2008
(4) 25/10/2008	(5) 23/01/2009	

The constitution of the Committee and the attendance of each member of the Committee during financial year 2008-09 is given below:-

Name	Designation	Non-executive/ Independent	Profession	Committee Meetings Attended
Mr. Navin Khandelwal	Chairman	Independent Director	Chartered Accountant	5
Mr. Ashok Khasgiwala	Member	Professional Director	Chartered Accountant	3
Mr. Veer Kumar Jain	Member	Independent Director	Advocate	2

The terms of reference of Audit Committee includes the following :

- To hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board ;
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary ;
- To make recommendations to the Board on any matter relating to financial management of the Company, including the Audit Report.

5. Financial Review Committee

The constitution of 'Financial Review Committee' during financial year 2008-09 is given below:-

Name	Designation	Executive / Non-executive/Independent
Mr. Umesh Shahra	Chairman	Executive
Mr. Ashok Khasgiwala	Member	Non-executive & Professional
Mr. Veer Kumar Jain	Member	Non-executive & Independent
Mr. Navin Khandelwal	Member	Non-executive & Independent

During the year under review three meetings of the Committee were held on 30/08/2008, 29/11/2008 and 28/02/2009.

6. Share Transfer & Investors Grievance Committee

The Board has constituted a 'Share Transfer & Investors Grievance Committee' which looks into shareholder's and investor's grievances. The following were the members of the Committee as on 31.03.2009 :

Name	Designation	Executive/Non-executive/Independent
Mr. Manish Jain	Chairman	Non-executive & Independent
Mr. Arvind Mishra	Member	Executive
Mr. Veer Kumar Jain	Member	Non-executive & Independent

The committee specifically looks into the shareholders and investors complaints on the matters relating to transfer of shares, non-receipts of annual reports, non-receipt of dividend, demat of shares etc. In addition, the committee also looks into matters, which can facilitate better investor services and relations.

During the period under review the committee had reviewed the status of investor services rendered by the company. Mr. Vinay Gupta is Compliance Officer of the Company. Committee discussed the various reports placed before it regarding the investor complaints and queries regarding transfer, change of address, annual reports, demat etc.

During the financial year the company had received total 32 complaints, out of which 6 complaints related to non receipt of Annual Report, 17 complaints related to non receipt of Share Certificate, 7 complaints for non receipt of Dividend Warrant, 1 complaint related to Dematerialization of Shares, 1 complaint related to Non receipt of Annual General Meeting Notice. All the complaints have been resolved to the satisfaction of the Shareholders and no complaint was pending as on 31st March, 2009.

7. Remuneration Committee

The remuneration committee has been constituted to recommend / review the remuneration package of the Managing/ Whole-time Director(s), based on performance on defined criteria. Following are the members of the Committee as on 31.03.2009 :

Name	Designation	Executive / Non- executive / Independent
Mr. Manish Jain	Chairman	Non-executive & Independent
Mr. Veer Kumar Jain	Member	Non-executive & Independent
Mr. Suneet Shukla	Member	Non-executive & Independent

The remuneration policy is directed towards rewarding performance based on review of achievement on periodic basis. The remuneration policy is in consonance with the existing industry practice.

During the year under review two meetings of the Committee were held on 28/07/2008 and 25/10/2008.

8. Information of General Body Meetings

Location and time of AGMs/EGMs held during the last three years are as follows :-

Year	AGM/EGM	Location	Date	Time
2007-08	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	30.09.2008	4.00 P.M.
2006-07	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	29.09.2007	12.00 Noon
2006-07	EGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	23.02.2007	12.30 P.M.
2005-06	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	27.09.2006	11.30 A.M.

For the year ended 31st March 2009, a special resolution was passed that required assent by the Company's 5% Non-Cumulative Redeemable Preference Shareholders through the means of postal ballot as provided under the provisions mentioned under Section 192A of the Companies Act, 1956 for altering and increasing term of redemption from Ten Years to Fourteen Years.

9. Disclosures

- a. Transactions with Promoters, Directors and their relatives, Management or their subsidiaries, etc.

The Company has not entered into any transaction of material nature with the Promoters or Directors and/or their relatives or Management and/or their subsidiaries etc., that may have any potential conflict with the interests of the Company. The transactions of purchase and sale of goods, materials and services made in respect of above parties have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services as available with the Company or the prices at which transactions for similar goods, materials or services have been made with other parties.

- b. Compliance by the Company

The Company has complied with requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during last three years.

10. Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The Code of Conduct is available on the website of the company www.ruchistrips.com. The declaration of the Managing Director is given below :

To,
The Shareholders,
Ruchi Strips & Alloys Limited

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed with Code of Conduct adopted by the Board of Directors.

Place : Indore
Dated : 30th April, 2009

Umesh Shahra
Managing Director

11. Communication to Shareholders

Quarterly financial results for the Financial Year 2008-09 were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai Edition). RSAL has its own website, www.ruchigroup.com/ruchistrips on which important public domain information are posted. All financial and other vital official news releases are also properly communicated to the concerned Stock Exchange as besides being placed on the website.

12. General Shareholder Information

Annual General Meeting :

Date	: 30 th September, 2009
Time	: 3.00 P.M.
Venue	: Sunvile Delux Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai

Financial Calender 2009-10

Adoption of Quarterly Results of the Quarter ended	4 th week of
June 30, 2009	July, 2009
September 30, 2009	October, 2009
December 31, 2009	January, 2010
March 31, 2010	April/May, 2010

Annual General Meeting

for the year ending March 31, 2010 : In August / September, 2010

Book closure Dates : 26th September, 2009 to 30th September, 2009
(both days inclusive)

Dividend Payment Date : No dividend is declared for the year 2008-09

13. Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange, Mumbai (BSE).

Stock Code

Bombay Stock Exchange, Mumbai :

513295 (Physical)
INE611C01012 (Demat)

Registrar & Transfer Agent : M/s Sarthak Global Limited
Avanti House, 170/10, Film Colony, RNT Marg, Indore-452001 (M.P.)

Plant Location : Village Sejwaya, Ghatabillod, Dist. Dhar-454773 (M.P.)

Address of Correspondence : 611, Tulsiani Chambers, Nariman Point, Mumbai-400021

Dematerialization of shares : 70.25% of the total equity capital is held in Dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2009.

Outstanding ADRs/GDRs : The Company has not issued any ADRs/GDRs

14. Market Price Data (Rs.)

High, low market price on Bombay Stock Exchange Ltd. (BSE) during each month in the last financial year.

Period	High (Rs.)	Low (Rs.)
April, 2008	15.60	12.85
May, 2008	16.42	12.75
June, 2008	13.80	10.11
July, 2008	12.35	9.01
August, 2008	14.88	10.50
September, 2008	13.00	9.00
October, 2008	11.26	5.80
November, 2008	8.00	5.05
December, 2008	6.99	5.22
January, 2009	8.35	5.55
February, 2009	6.68	5.50
March, 2009	6.30	4.68

15. Distribution of Shareholding as on 31st March, 2009

Shareholding	Share Holders		Total	% of Shareholding
	Number	% of Total		
Upto 2500	19863	76.494	2527344	8.600
2501 5000	4047	15.585	1625062	5.530
5001 10000	1338	5.153	1150305	3.914
10001 20000	413	1.590	641131	2.182
20001 30000	100	0.385	259204	0.882
30001 40000	38	0.146	137127	0.467
40001 50000	56	0.216	267463	0.910
50001 100000	54	0.208	389494	1.325
100001 & above	58	0.223	2238995	76.190
TOTAL	25967	100.000	29387125	100.000

16. Share Transfer System

The Registrar & Share Transfer Agent M/s Sarthak Global Limited deals with Share Transfer both in physical and dematerialized mode. The dematerialized Shares are transferable through the depository system. Shares in physical form are processed by the R & TA and approved by Share Transfer and Investors Grievance Committee of Board of Directors of the Company. Physical Shares are transferred within stipulated time.

17. Shareholding Pattern and Distribution of Shareholding

Shareholding pattern as on 31.03.2009

Category	No. of Shares held	% of Shareholding
1. Promoter's Holding including Foreign promoters	9637507	32.79
2. NRIs/OCBs/FIIs	118438	0.40
3. Banks, FIs, Mutual Funds	5652325	19.23
4. Indian Corporate Bodies	6407483	21.80
5. Indian Public	7571372	25.78
TOTAL	29387125	100.00

18. Dematerialisation of shares and liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository systems, of both NSDL and CDSL.

CERTIFICATE

To
The Members of
Ruchi Strips and Alloys Ltd.,

We have reviewed the compliance of the conditions of Corporate Governance by Ruchi Strips & Alloys Ltd. for the year ended March 31, 2009 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange in India.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending as on March 31, 2009 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ARUN MAHESHWARI & CO.
Chartered Accountants

Place : Indore
Date : July 31, 2009

CA Arun Maheshwari
Proprietor
Membership No. 70354

AUDITOR'S REPORT

To,

The Members of Ruchi Strips and Alloys Limited

1. We have audited the attached Balance Sheet of Ruchi Strips and Alloys Limited as at 31st March, 2009 and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of Sub Section (4A) of Section 227 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.
4. Further to our comments in the Annexure referred to 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 purposes 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 those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st 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, said accounts **subject to note no 15 of Schedule S regarding confirmation and reconciliation of balances of debtors, creditors, advances and deposits ; the consequential impact thereof, if any on the accounts remains unascertained**, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii. in the case of Profit & Loss Account, of the Loss for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Place : Indore
Date : June 30, 2009

CA Arun Maheshwari
Proprietor
Membership No.70354

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date.

- i. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of Inventories:
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of physical verification of inventory followed by the management are 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. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clauses iii(b), iii(c), iii(d) and iii(f), iii(g) of the Order are not applicable to the Company.
- 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 purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v.
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of the rupee five lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of section 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts and records in respect of manufacturing of cold rolled strips/sheets maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not, made a detailed examination of such accounts and records with a view to determine whether they are accurate or complete.
- ix.
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it, except slight delay in a few cases. There were no arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - b) According to the records of the company and information and explanation given to us, particulars of dues of Sales tax, Income tax, Custom duty, Service tax, Wealth tax, Excise duty and Cess which have not been deposited with appropriate authorities on account of any dispute, are as under :

Details of disputed Statutory dues as on 31.03.2009 on account of matters pending before the appropriate authorities

Sl.No.	Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where disputes are pending
1	Entry Tax Act, 1976	Entry Tax Demand	1.42	1992-1993	Case pending for hearing with Board of Revenue, Gwalior (M.P.)
2	Entry Tax Act, 1976	Entry Tax Demand	0.61	1995-1996	Case pending for hearing with Board of Revenue, Gwalior (M.P.)
3	Central Excise Act, 1944	Modvat Credit Dispute	0.02	1995-1996	Pending for Adjudication
4	Income Tax Act, 1961	Income Tax	6.76*	1989-1990	Restored to CIT (A) by ITAT, Mumbai
5	Bombay Sales Tax Act, 1959	Sales Tax Demand	237.81	2001-2002	The Maharashtra Sales Tax Tribunal, Mumbai
6	Uttar Pradesh Sales Tax Act	Sales Tax Demand	0.72	2007-2008	Case pending for hearing with Joint Commissioner (Appeals), Trade Tax, Ghaziabad Range (U.P.)
7	Income Tax Act, 1961	Income Tax	4.41	2002-2003	ITAT, Mumbai
8	Income Tax Act, 1961	Income Tax	103.87	2004-2005	ITAT, Mumbai

* Demand adjusted against refund due to the Company.

- x. In our opinion the accumulated losses of the company are not more than fifty percent of its net worth as at 31st March, 2009. It has incurred cash losses during the financial year covered by our audit, however, it has not incurred any cash losses in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues (working capital loans) to Banks from 20.11.2008 amounting to Rs. 4381.50 Lacs, which has been regularized on 31.03.2009. However, there are no defaults in repayment of dues to Financial Institution or Debenture holders.
- xii. According to the information and explanations 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. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. According to the information and explanations given to us, the Company has already created security or charge in respect of debentures issued in earlier years. No debentures have been issued during the year.
- xx. The Company has not raised money by public issues during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Place : Indore
Date : June 30, 2009

CA Arun Maheshwari
Proprietor
Membership No.70354

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	Rs. in Lacs	As at 31.03.2009 Rs. in Lacs	As at 31.03.2008 Rs. in Lacs
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	3587.00		3586.97
b) Reserves & Surplus	B	4567.72		774.81
			8154.72	4361.78
2. Loan Funds				
a) Secured Loan	C	7936.20		4461.36
b) Unsecured Loan	D	1133.55		260.38
			9069.75	4721.74
3. Deferred Tax Liability-Net			-	309.63
	TOTAL		17224.47	9393.15
II. APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block	E	13234.23		7890.08
b) Less: Depreciation		4580.72		4405.63
c) Net Block		8653.51		3484.45
d) Capital Work-in-Progress				376.07
			8653.51	3860.52
2. Investments	F		15.00	15.00
3. Current Assets, Loans and Advances				
a) Inventories	G	8363.76		9236.73
b) Sundry Debtors	H	11859.74		9961.39
c) Cash and Bank Balances	I	993.24		894.79
d) Other Current Assets	J	954.40		655.96
e) Loans and Advances	K	597.49		709.42
		22768.63		21458.29
4. Less: Current Liabilities and Provisions	L			
a) Current Liabilities		16280.49		15550.52
b) Provisions		174.40		390.14
Net Current Assets		16454.89	6313.74	5517.63
5. Deferred Tax Assets-Net			817.08	
6. Profit and Loss Account	M		1425.14	
	TOTAL		17224.47	9393.15
Significant Accounting Policies and Notes on Accounts	S			

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 30th June, 2009

Indore: 30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	Rs. in Lacs	2008-2009 Rs. in Lacs	2007-2008 Rs. in Lacs
1. INCOME				
Sales and Services	N	58423.73	48167.74	
Less: Excise Duty		3255.37	55168.36	3270.51
Other Income	O		230.22	395.29
TOTAL			55398.58	45292.52
2. EXPENDITURE				
Materials	P		51518.64	40098.73
Expenses	Q		4844.75	3567.58
Financial Charges	R		1989.53	1154.52
Depreciation	E	360.76		265.05
Less : Depreciation withdrawn from revaluation reserve		0.53	360.23	-
TOTAL			58713.15	45085.88
Profit / (Loss) for the year before tax			(3314.57)	206.64
Provision for taxation				
Current Tax			0.00	59.64
Deferred Tax Liability/(Assets)			(1126.71)	11.80
Fringe Benefit Tax			8.19	7.91
Income Tax related to previous years			(37.62)	75.65
Profit/ (Loss) after tax			(2158.43)	51.64
Add: Transfer from Debenture Redemption Reserve			23.50	0.00
Add: Balance Brought forward from previous year			709.79	658.15
Amount available for appropriation	TOTAL		(1425.14)	709.79
Balance carried to Balance Sheet			(1425.14)	709.79
Basic Earning Per Share (Note No. B-8) Rs.			-7.34	0.18
Diluted Earning Per Share (Note No. B-8) Rs.			-7.34	0.18

Significant Accounting Policies and Notes on Accounts S

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**

Chartered Accountants

CA Arun Maheshwari

Proprietor

Membership No. 70354

Kailash Chandra Shahra

Chairman

Santosh Kumar Shahra

Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 30th June, 2009

Indore: 30th June, 2009

**SCHEDULE "A" TO "S" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009.**

	Rs. in Lacs	As at 31.03.2009 Rs. in Lacs	As at 31.03.2008 Rs. in Lacs
SCHEDULE :A - SHARE CAPITAL			
Authorised			
3,30,00,000 Equity shares of Rs.10/- each. (Previous year 3,30,00,000)	3300.00		3300.00
7,00,000 5% non cumulative redeemable preference share of Rs. 100 each. (Previous year 7,00,000)	700.00		700.00
		<u>4000.00</u>	<u>4000.00</u>
Issued, Subscribed and Paid-Up			
2,93,87,125 Equity shares of Rs.10/-each (previous year 2,93,87,125 Equity shares of Rs.10/-each) fully paid-up (of the above 13,00,000 (Previous year 13,00,000) Equity shares of Rs.10/- each allotted for consideration otherwise than for cash)		2938.71	2938.71
Less: Allotment money unpaid (Other than Directors)		1.71	1.74
		<u>2937.00</u>	<u>2936.97</u>
6,50,000 5% non cumulative redeemable preference shares of Rs. 100 each. (previous year 6,50,000)*		650.00	650.00
		<u>3587.00</u>	<u>3586.97</u>
SCHEDULE:B - RESERVES AND SURPLUS			
(a) Capital Reserves as per last Balance Sheet		10.00	10.00
(b) Debenture Redemption Reserves			
Since Last year	46.67		46.67
Transfer to Profit & Loss Account	23.50	23.17	0
		8.35	8.35
(c) Share premium account Since last year			
(d) Revaluation reserve			
On revaluation of assets during the year	4526.73		
Less : Depreciation Provided	0.53	4526.20	
(e) Profit and Loss Account Balance			
Since last year	-		667.08
Add : Profit for the year	-		51.64
Add : Transferred from Debenture redemption reserve	-		0.00
Less : Adjustment for Employee benefits as per AS 15 (Revised,2005)	-		8.93
		<u>4567.72</u>	<u>774.81</u>
SCHEDULE: C - SECURED LOANS			
A. Debentures			
Redeemable Non-Convertible Debentures		46.33	70.33
B. Term loans			
From Banks	4418.35		1331.58
From Financial Institutions	238.92	4657.27	350.92
			1682.50
C. Working Capital Loans			
From Banks		3232.60	2708.53
		<u>7936.20</u>	<u>4461.36</u>

NOTES:

1. Redeemable Non Convertible Debentures and Term loans from Financial Institutions and Banks are secured by way of first mortgage on all immovable properties both present and future ranking pari passu and further secured by hypothecation of all movable assets (save and except book debts) both present and future, except prior charge created and/or to be created in favour of the Company's Bankers on stocks of raw-materials, semi - finished and finished goods, consumables stores and book debts for securing working capital borrowings; and personally guaranteed by two Directors.
2. Working capital loan facilities from Banks are secured by hypothecation of entire stocks of raw materials, stock in process, finished goods, stores and spares, stock in transit, book debts and second charge by way of mortgage on all immovable properties together with building and other structures thereon and all plant and machineries attached to the earth and personally guaranteed by two Directors.
3. Redeemable Non Convertible Debentures privately placed to IFCI Ltd. carry interest rate of 15 % p.a.
4. Redeemable Non Convertible Debentures are redeemable at par in 28 quarterly ballooning instalments from April, 2004 to January, 2011.
5. In case of default in the repayment of term loans, Financial Institutions i.e. IFCI Ltd. shall have right to convert the defaulted amount into equity.
6. Installments of Redeemable Non Convertible Debentures and Term loans due within one year are; Rs. 28.00 lacs (Previous year 24.00 lacs) and Rs.266.00 lacs (Previous year Rs. 262.00 lacs) respectively.

As at
31.03.2009
Rs. in Lacs

As at
31.03.2008
Rs. in Lacs

SCHEDULE: D - UNSECURED LOANS

Inter corporate Deposits

1133.55

260.38

SCHEDULE: E- FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION			NET BLOCK		
	As at 01.04.2008	Additions	Additions (Revaluation)	Deductions	As at 31.03.2009	Upto 31.03.2008	For the Year*	on Deductions	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold land	81.99	0.00	364.67	0.00	446.66	0.00	0.00	0.00	0.00	446.66	81.99
Buildings	1226.61	0.00	431.44	0.00	1658.05	375.77	39.02	0.00	414.79	1243.26	850.84
Plant & Machinery	6264.59	985.43	3730.62	195.44	10785.20	3838.55	283.11	185.67	3935.99	6849.21	2426.04
Furniture & Fixtures	100.15	1.01	0.00	0.00	101.16	64.22	6.63	0.00	70.85	30.31	35.92
Office Equipments	133.90	26.42	0.00	0.00	160.32	90.78	25.81	0.00	116.59	43.73	43.12
Vehicles	82.84	0.00	0.00	0.00	82.84	36.31	6.19	0.00	42.50	40.34	46.54
Total	7890.08	1012.86	4526.73	195.44	13234.23	4405.63	360.76	185.67	4580.72	8653.51	3484.45
Previous Year	6158.93	1759.69	0.00	28.54	7890.08	4145.95	265.05	5.37	4405.63		
Capital work in progress (including advances to suppliers) pending for allocation.										0.00	376.07
Grand Total										8653.51	3860.52

* Depreciation for the year includes impairment loss of Rs. 3.35 Lacs on buildings and Rs. 1.11 Lacs on Plant & Machinery .
Depreciation for the year also includes Rs. 0.53 lacs transferred to revaluation reserve.

SCHEDULE: F - INVESTMENTS (at cost)

Long Term Investments

(Other than trade, Unquoted)

1,50,000 Equity Shares of Rs.10 each fully paid in Ruchi Global Limited.

15.00

15.00

	As at 31.03.2009 Rs. in Lacs	As at 31.03.2008 Rs. in Lacs
SCHEDULE: G - INVENTORIES		
[As certified and valued by the management]		
(a) Stores, Spares & Packing material	246.83	294.93
(b) Raw materials	3645.87	5475.58
(c) Work in Progress	3202.07	1760.12
(d) Finished Goods	1223.30	1665.61
(e) Scrap	45.69	40.49
(At lower of cost or net realisable value, except scrap valued at net realisable value)	<u>8363.76</u>	<u>9236.73</u>
SCHEDULE: H - SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months	946.49	305.47
Other Debts	<u>10913.25</u>	<u>9655.92</u>
Refer Note no. 16 of Schedule S	<u>11859.74</u>	<u>9961.39</u>
SCHEDULE: I - CASH AND BANK BALANCES		
Cash on hand	5.52	3.22
Balances with Scheduled Banks		
(a) In Current Accounts	25.28	25.80
(b) In Deposit Accounts	<u>962.44</u>	<u>865.77</u>
	<u>993.24</u>	<u>894.79</u>
SCHEDULE: J - OTHER CURRENT ASSETS		
(a) Interest Receivable	29.35	21.05
(b) Other Receivable	<u>925.05</u>	<u>634.91</u>
	<u>954.40</u>	<u>655.96</u>
SCHEDULE: K - LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received.	225.99	272.86
(b) Deposit with Govt. Department	244.28	244.45
(c) Deposit with Others	13.64	65.23
(d) Advance Income Tax (Including TDS)	<u>113.58</u>	<u>126.88</u>
	<u>597.49</u>	<u>709.42</u>
SCHEDULE: L - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
(a) Sundry creditors	14856.83	13586.13
(b) Customer's credit balances	1161.27	1600.99
(c) Other liabilities	253.81	350.08
(d) Interest accrued but not due on loans	<u>8.58</u>	<u>13.32</u>
	16280.49	15550.52
PROVISIONS		
(a) Provision for employee benefits	61.26	49.08
(b) Provision for taxation	39.43	139.02
(c) Provision for Excise duty on closing stock	<u>73.71</u>	<u>202.04</u>
	<u>174.40</u>	<u>390.14</u>
SCHEDULE: M- PROFIT & LOSS ACCOUNT		
Profit and Loss Account Balance		
Since Last Year	709.78	
Less : Loss for the year	2158.42	
Add : Transferred from Debenture redemption reserve	<u>23.50</u>	<u>(1425.14)</u>

	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE: N- SALES AND SERVICES			
Sales		58407.49	48163.02
Job Processing Charges (Gross)		16.24	4.72
{Tax deducted at source Rs. 20948/- (Pre.year Rs. 9730/-)}		<u>58423.73</u>	<u>48167.74</u>
SCHEDULE: O - OTHER INCOME			
Insurance claims received		8.69	8.13
Foreign Exchange Fluctuation (Net)		0.00	76.90
Miscellaneous Income		64.39	51.03
Interest received		91.04	71.09
(Tax deducted at source Rs. 20.01 lacs (prev. year Rs. 17.14 lacs))			
Export incentives		60.87	188.14
Profit on sale of Fixed Assets		<u>5.23</u>	<u>0.00</u>
		<u>230.22</u>	<u>395.29</u>
SCHEDULE: P - MATERIALS			
(a) Raw materials consumed			
Stock at commencement	5475.58		1873.59
Purchases	<u>21178.10</u>		<u>23086.51</u>
	<u>26653.68</u>		<u>24960.10</u>
Less: Stock at close	<u>3645.87</u>		<u>5475.58</u>
		<u>23007.81</u>	<u>19484.52</u>
(b) Purchase of Finished or Traded goods		<u>29644.00</u>	<u>21748.81</u>
(c) Variation in Stocks			
Stock at close:			
Finished goods	1223.30		1665.61
Work-in-progress	<u>3202.07</u>		<u>1760.12</u>
Scrap	<u>45.69</u>		<u>40.49</u>
		<u>4471.06</u>	<u>3466.22</u>
Less: Stock at commencement			
Finished goods	1665.61		1293.66
Work-in-progress	<u>1760.12</u>		<u>944.28</u>
Scrap	<u>40.49</u>		<u>32.86</u>
		<u>3466.22</u>	<u>2270.80</u>
Add/Less: Increase/decrease in Excise duty on closing stock of finished goods		<u>(128.33)</u>	<u>60.82</u>
		<u>(1133.17)</u>	<u>(1134.60)</u>
		<u>51518.64</u>	<u>40098.73</u>
SCHEDULE: Q - EXPENSES			
Power and Fuel			
Power	467.95		499.31
Fuel	<u>353.54</u>	<u>821.49</u>	<u>400.78</u>
Consumption of Stores, Spares & Packing Materials		<u>381.49</u>	<u>471.09</u>
Processing Charges		<u>115.84</u>	<u>157.08</u>

	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Repairs:			
Building	7.78		14.85
Plant & Machineries	9.16		6.43
Others	<u>38.97</u>	55.91	47.33
Salaries, Wages and Bonus		690.58	597.14
Contribution to Provident & Other Funds		28.81	23.84
Workmen and Staff Welfare		31.71	35.75
Rent		21.31	12.85
Rates & Taxes		1.40	0.57
Insurance		14.95	15.12
Freight and forwarding charges		837.93	803.54
Export Expenses		67.59	186.38
Travelling & Conveyance		92.25	99.34
(Including Rs. 4.72 lacs to Directors (prev.year Rs.2.64 lacs))			
Loss on sale of fixed Assets			2.11
Exchange fluctuation		1410.82	
Other Expenses		<u>272.67</u>	<u>194.07</u>
		<u>4844.75</u>	<u>3567.58</u>

SCHEDULE: R - FINANCIAL CHARGES

Interest:				
On Debentures and Other Fixed Loans	233.47		115.85	
Others	<u>1369.15</u>	1602.62	<u>814.27</u>	930.12
Bank Commission & Charges		386.91		224.40
		<u>1989.53</u>		<u>1154.52</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE: S- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

a) Accounting concept

- i) The Company follows the mercantile system of the accounting and recognises income and expenditure on accrual basis.
- ii) Financial statement are based on historical cost convention.

b) Sales

Sales are inclusive of income from services, excise duty, export incentives and exchange fluctuation on export receivable and net of trade discount and rebates.

c) Fixed Assets

i) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation(except free hold land) Assets which have been revealed are stated at values as per approved valuer's report less depreciation.

ii) Capital Expenditure

Assets under erection/installation and advances given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period is shown as "Pre-operative expenses" to be capitalised on erection/installation of the assets.

d) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act,1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

e) Borrowing cost

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

f) Inventories

- i) Finished goods, Raw-materials and Work-in-progress at lower of cost or net realisable value on FIFO basis. Goods in transit is stated at cost.

Cost of inventories generally comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of excise duty.

- ii) Scrap at net realisable value.

- iii) Custom Duty.

The liability on account of Custom duty on imported materials in transit or in bonded warehouse is recognised on clearance of the goods from the Customs.

g) Investments

Long term investments are stated at cost with an appropriate provision for permanent diminution in value.

h) Export incentives/Benefits

Export incentives or benefits under the Export Import Policy are accounted in the year of exports on accrual basis.

i) Foreign Currency Transactions

Transaction in Foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Current assets and Current liabilities not covered by forward contract are translated at the year end exchange rate and any gain/loss on account of fluctuation in the rate of exchange is recognised in profit and loss account. Premium / Discount in respect of

forward foreign exchange contract is recognised over the life of the contract.

j) Contingent liabilities not provided for and are disclosed by way of notes.

k) Segment Accounting

(1) Segment Accounting Policies:-

Accounting policies followed by the company for segment reporting are-

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to segment.
- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses, which relate to the company as a whole and not allocable to segment, are included under unallocable expenses.
- (c) Income which relates to the company as a whole and not allocable to segment is included under unallocable income.
- (d) (i) Segment Assets includes those assets directly identifiable with respective segments and employed by a segment in its operating activities, but does not include income tax assets.
(ii) Segment liabilities includes those liabilities directly identifiable with respective segments and operating liabilities that results, from operating activities of a segment, but does not include income tax liabilities and financial liabilities.
(iii) Unallocable corporate assets and liabilities represents the assets and liabilities that relate to company as a whole & not allocable to any segment.
- (2) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system. The various segments identified by the Company comprised as under.

Name of Segment	: Comprised of
Steel	: Steel Manufacturing and Trading
Oils	: Crude Oils, refined Oils
Others	: DOC, Soyameal, Grains etc.

l) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent period.

m) Employee Benefits

(a) Post-employment benefit plans

i) Defined Contribution plan-

Contributions to provident fund and Family Pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

ii) Defined Benefit plan

(a) The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Account for the year in which they occur.

(b) The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

n) Excise duty

The Excise duty in respect of closing inventory of finished goods is included as part of inventory.

o) Operating Leases

Lease rental are recognised as an expense on straight line basis over the term of the lease.

p) Impairment of Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Use of Estimates

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

B. NOTES ON ACCOUNTS

	2008-09 Rs. in Lacs	2007-08 Rs. in Lacs
1. Contingent Liabilities not provided for		
a) Outstanding Bank guarantees	183.23	345.70
b) Disputed liabilities not acknowledged as debts.	402.76	247.34
c) Estimated amount of contracts remaining to be executed on capital account(net of advance)	-	182.24
2. Sundry Creditors includes bills payable for purchases of material Rs. 3722.51 lacs (previous year Rs. 3522.69 lacs)		
3. The allotment money unpaid are subject to reconciliation.		
4. The Company had issued 650000 5% Non-cumulative Redeemable Preference Shares of Rs. 100/- each on 31st July, 2007, redeemable at par after 10 years from the date of issue. The period has been extended to 14 years from date of allotment i.e. 31st July, 2007 vide special resolution passed by class of shareholders on 30th September, 2008.		
5. REMUNERATION TO AUDITORS		
a) As Audit Fee	0.75	0.75
b) for Certification including Tax Audit	0.64	0.36
c) Out of Pocket expenses	0.29	
6. REMUNERATION TO MANAGING & EXECUTIVE DIRECTORS		
a) Salary	16.62	14.45
b) Allowances*	7.37	3.68
c) Contribution to Provident & other Fund	2.00	1.73
	25.99	19.86

*Excluding Rs. 0.75 lacs paid during the year to Executive Director relating to period prior to his appointment as a director.

7. Related Party Disclosures:

1. Relationships

(a) Key Management Personnel

Shri Umesh Shahra

Managing Director

Shri Arvind Mishra

Executive Director

(b) Entities where key management personnel or relative of key management personnel have significant interest

Suyash Trust.

Shahra Bros. Pvt. Ltd.

Indian Steel Corporation Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transaction carried out with related parties referred in 1 above, in ordinary course of business during the existence of related party relationship :

Nature of Transactions	2008-09		2007-08	
	Related Parties		Related Parties	
	Referred in 7(1) (a)	Referred in 7(1) (b)	Referred in 6 (1) (a)	Referred in 6 (1) (b)
Sales		3399.25		2123.96
Purchases		3690.54		5377.28
Expenses				
Remuneration	25.99	-	19.86	-
Rent		0.60		0.60
Maintenance Charges		0.99		1.98
Outstandings				
Deposit given	-	-		-
Receivable	-	127.79		-
Payable	-	-		858.91

8. Earning Per Share (EPS)	2008-09	2007-08
(a) Net Profit after tax (Rs. in Lacs)	(2158.43)	51.64
(b) Basic		
i) Weighted Average Number of Equity Shares	29387125	29387125
ii) Earning per Share Rs..	-7.34	0.18
(c) Diluted		
i) Weighted Average Number of Equity Shares	29387125	29387125
ii) Earning per Share Rs..	-7.34	0.18
(d) Nominal value per ordinary share	Rs.10	Rs.10

9. In the opinion of the Board of Directors the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than those stated herein above.
10. During the year, the company has revalued its Land, Factory Buildings and Plant & Machinery, as per approved valuer's report. The difference between present book value of the revalued assets and value as per revaluation report is credited to "Revaluation reserve" shown under Reserves & Surplus.
11. There are no delays in payment to Micro, Small and Medium enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006. The information given in Schedule L: "Current Liabilities" regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

12. Segment Reporting

a) Business Segment

Rs. in Lacs

Particulars	Steel Business		Oils		Others		Unallocable		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Segment Revenue	44114.40	43033.87	0	828.78	11187.91	1429.87	96.27	0.00	55398.58	45292.52
Segment results (PBIT)	(11313.69)	926.24	0	251.79	11187.80	17.15	(1586.06)	(60.21)	(1711.95)	1134.96
Less : Interest	-	-	-	-	-	-	-	-	1602.62	930.12
Profit before Exceptional/ Extraordinary item.	-	-	-	-	-	-	-	-	(3314.57)	204.84
Exceptional/ Extraordinary item.	-	-	-	-	-	-	-	-	0.00	0.00
Profit before Tax	-	-	-	-	-	-	-	-	(3314.57)	204.84
Less:-Current Tax	-	-	-	-	-	-	-	-	0.00	59.64
Income Tax of Previous Years	-	-	-	-	-	-	-	-	(37.62)	75.65
Deferred Tax (Assets)	-	-	-	-	-	-	-	-	(1126.71)	11.80
Liabilities	-	-	-	-	-	-	-	-	8.19	7.91
Fringe Benefit Tax	-	-	-	-	-	-	-	-	(2158.63)	49.76
Profit after Tax	-	-	-	-	-	-	-	-	-	-
Segment Assets	29136.48	22358.82	30.57	703.86	1074.23	1155.42	1067.28	973.84	31308.55	25191.93
Segment Liabilities.	15257.68	15527.05	0.50	10.10	1014	0.05	8.58	13.32	16280.49	15550.52
Capital Expenditure.	985.43	1754.20	-	-	-	-	27.43	5.49	1012.86	1759.69
Segment Depreciation	327.78	253.80	-	-	-	-	32.44	11.25	360.23	265.05
Non Cash expenditure other than depreciation	-	-	-	-	-	-	-	-	-	-

Depreciation for the year of Steel segment includes Rs. 4.45 Lacs impairment loss on Fixed assets.

b) Secondary Segment Geographical.

The Company's operating facilities are located in India.

Domestic Revenue

53809.20 42535.04

Export Revenue

1589.38 2757.48

Total

55398.58 45292.52

Note:

(a) Unallocable segment assets exclude the following:-

(i) Investments

15.00 15.00

(ii) Advance Income Tax

113.58 126.88

(iii) Deferred Tax Assets

817.08 -

(b) Unallocable segment liabilities exclude the following:-

(i) Secured Loans

7936.20 4461.36

(ii) Unsecured Loans

1133.55 260.38

(iii) Deferred Tax liability

- 309.63

(iv) Provision for Tax

39.43 139.02

13. Deferred Tax Liability (Net)

Deferred Tax
Assets/(Liability)
as at 31.03.2009

Deferred Tax
Assets/(Liability)
as at 31.03.2008

Deferred Tax Liability :

Difference between book & Tax Depreciation

(339.12)

(327.73)

Deferred Tax Assets :

Unabsorbed Depreciation

133.92

-

Unabsorbed business loss

999.50

-

Dis Allowance U/s 43 B

22.78

18.10

1156.20

18.10

817.08

(309.63)

14. Previous year's figures have been re-grouped and re-arranged wherever necessary to make them comparable.
 15. Confirmation of loans, advances, deposits, debtors and creditors have been partly received, therefore same has been shown as per books of accounts. Necessary adjustments, if any, will be made on reconciliation of the same.
 16. Sundry debtors includes Rs. 127.77 lacs due from Indian Steel Corporation Ltd., a company under the same management.
 17. Disclosure requirements as per AS 15 "Employee Benefits" (Revised 2005).

	2008-09		2007-08	
	Gratuity	Leave Encashment Rs. in Lacs	Gratuity	Leave Encashment Rs. in Lacs
I. <u>Change in Benefit Obligation</u>				
Liability at the beginning of the year	58.39	26.41	43.22	16.70
Interest Cost	5.08	1.83	3.71	1.46
Current Service Cost	6.16	2.67	4.46	2.24
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transfer in	0.00	0.00	0.00	0.00
Liability Transfer out	0.00	0.00	0.00	0.00
Benefit Paid	(2.10)	(12.38)	(2.65)	(1.29)
Actuarial (gain)/loss on obligations	8.15	9.83	9.66	7.30
Liability at the end of the year	75.69	28.36	58.39	26.41
II. <u>Change in Fair value of Plan Assets</u>				
Fair Value of plan Assets at the beginning of the year	36.05	0.00	29.76	0.00
Expected Return on plan Assets	3.23	0.00	2.77	0.00
Contributions	5.36	12.38	6.18	0.00
Transfer from other company	0.00	0.00	0.00	0.00
Transfer to other company	0.00	0.00	0.00	0.00
Benefit Paid	(2.10)	(12.38)	(2.65)	0.00
Actuarial gain/(loss) on Plan Assets	0.24	(9.83)	(0.00)	0.00
Fair Value of Plan Assets at the end of the year	42.79	0.00	36.05	0.00
Total Actuarial Gain/(Loss) to be Recognised	(7.91)	(9.83)	(9.66)	0.00
III. <u>Amount Recognised in the Balance Sheet</u>				
Liability of the end of the year	75.69	28.36	58.39	26.41
Fair Value of Plan Assets at the end of the year	42.79	0.00	36.05	0.00
Difference	(32.90)	(28.36)	(22.34)	(26.41)
Un recognised Past Service Cost	0.00	0.00	0.00	0.00
Un recognised Transition Liability	0.00	0.00	0.00	0.00
Amount Recognized in the Balance Sheet	(32.90)	(28.36)	(22.34)	(26.41)
IV. <u>Expenses Recognised in Profit and Loss Account</u>				
Current Service Cost	6.16	2.67	4.46	2.24
Interest Cost	5.08	1.83	3.71	1.46
Expected Return on Plan Assets	(3.23)	0.00	(2.77)	0.00
Past Service Cost (Non Vested Benefit) Recognised	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) Recognised	0.00	0.00	0.00	0.00
Recognition of Transition Liability	0.00	0.00	0.00	0.00
Actuarial Gain or Loss	7.91	9.83	9.66	7.30
Expense Recognised in P&L	15.92	14.33	15.06	11.00
V. <u>Assets Information</u>				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Insurer Managed Funds	42.79	0.00	36.05	0.00
Total	42.79	0.00	36.05	0.00

VI. Balance Sheet Reconciliation

Opening Net Liability	22.34	26.41	13.79	16.70
Expense as above	15.92	14.33	15.06	11.00
Employers Contribution	5.36	12.38	6.18	1.29
Amount Recognised in Balance Sheet	32.90	28.36	22.67	26.41

VII. Assumptions :

Discount Rate Prev.	8%	8%	8%	8%
Rate of Return on Plan Assets Prev.	8%	-	8%	-
Salary Escalation Prev.	6%	6%	6%	5%
Discount Rate Current	8%	8%	8%	8%
Rate of Return on Plan Assets Current	8%	-	8%	-
Salary Escalation Current	6%	6%	6%	5%

18. Financial and Derivative Instruments

A. Forward Contracts entered into by the Company

Particulars	No. of Contracts	Amount in USD	Amount in INR
Covered against import	8	3357735.44	171290799.00

B. Foreign currency exposure which are not hedged as at Balance Sheet date

Currency	Payable	Receivable	Net
USD	6083240.52	2025332.04	4057908.48
Euro	737780.68	0.00	737780.68

2008-09

2007-08

19. A. CAPACITY & PRODUCTION

Cold Rolled Strips/Sheets

i) Licensed Capacity (MTs.)	*	N.A.	*	N.A.
ii) Installed Capacity (MTs.)	**	55000.000	**	55000.000
iii) Actual Production (MTs.)	***	54166.904	***	61161.663

* The licensed capacity is not given as the licencing for company's products have been abolished.

** As Certified by the Chartered Engineer

*** Production excludes 3439.970 Mts reprocess (pre.year 1267.974 Mts.) and includes 174.415 MT of Job Work (Prev. Year Nil)

2008-09

2007-08

Quantity (MTS)	Value Rs. in Lacs	Quantity (MTS)	Value Rs. in Lacs
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B. TURNOVER

a) Cold Rolled Strips/Sheets*	102444.740	45078.83	113325.121	44405.19
b) Job-Work Processing	0.000	16.24	0.000	4.72
c) Oils	0.000	0.00	1500.821	828.78
d) H.R.Coil	4625.816	1186.62	2155.600	545.53
e) DOC	3597.664	716.91	6826.600	1106.31
f) Others		11425.14		1465.35

* Sales Includes Excess/Shortage and transit loss.

C. STOCK OPENING

Cold Rolled Strips/Sheets	3682.421	1665.61	3311.525	1293.66
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D. STOCK CLOSING

Cold Rolled Strips/Sheets	3034.444	1223.30	3682.421	1665.61
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E. RAW MATERIAL CONSUMED

Hot Rolled Coils	58383.405	23007.81	68270.456	19484.52
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F. PURCHASE OF GOODS TRADED IN

a) Cold Rolled Strips/Sheets	44364.314	17314.89	52534.354	19580.22
b) Oils	0.000	0.00	1500.821	576.99
c) H.R.Coil	3892.706	1181.71	2155.600	544.29
d) DOC	3597.664	679.42	6826.600	1087.25
e) Others		10467.98		325.47

G. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED	%	Value	%	Value
a) Raw Material				
Imported	31.83	7324.05	38.66	7532.99
Indigenous	68.17	15683.76	61.34	11951.53
b) Stores & Spares				
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	735.03	100.00	871.87
H. VALUE OF IMPORTS ON CIF BASIS				
a) Raw Material		4130.90		7117.24
b) Oils		0.00		545.15
c) Cold Rolled Strips/Sheets		522.57		344.04
d) Stores		0.00		0.00
e) Soya meal		703.40		1380.91
f) Others		304.50		0.00
I. EXPENDITURE IN FOREIGN CURRENCY				
Foreign Travelling		0.37		2.64
J. EARNING IN FOREIGN CURRENCY				
FOB Value of Export		1543.47		2606.53
K. Additional information as required under part IV of the Schedule VI to the Companies Act,1956 is enclosed in the annexure.				

Signature to Schedule 'A' to 'S'

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore: 30th June,2009

Indore: 30th June,2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	CURRENT YEAR Rs. in Lacs	PREVIOUS YEAR Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
a) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	(3314.57)	206.64
ADJUSTMENT FOR:		
DEPRECIATION	360.23	265.05
INTEREST	1511.58	859.04
-PROFIT/+LOSS ON SALE OF FIXED ASSETS	(5.23)	2.11
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1447.98)	1332.84
ADJUSTMENT FOR:		
TRADE & OTHER RECEIVABLE	(2098.17)	(4635.55)
INVENTORIES	872.97	(3451.15)
TRADE & OTHER PAYABLE	742.15	7653.84
c) CASH GENERATED FROM OPERATIONS	(1931.02)	899.99
DIRECT TAXES PAID	(185.19)	(170.34)
d) CASH FLOW BEFORE EXTRAORDINARY ITEM	(2116.21)	729.64
EXTRAORDINARY ITEM	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(2116.21)	729.64
B CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	91.04	71.09
SALE OF FIXED ASSETS	15.00	21.06
PURCHASE OF FIXED ASSETS	(636.79)	(1626.00)
NET CASH FLOW FROM INVESTING ACTIVITIES	(530.75)	(1533.85)
C CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES	0.03	650.01
PROCEED FROM BORROWINGS	4348.00	1306.93
INTEREST PAID	(1602.62)	(930.13)
NET CASH FLOW FROM FINANCING ACTIVITIES	2745.41	1026.81
D NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	98.44	222.60
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	894.79	672.20
CASH & CASH EQUIVALENT AT END OF THE YEAR	993.23	894.80

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**

Chartered Accountants

Kailash Chandra Shahra

Chairman

CA Arun Maheshwari

Proprietor

Membership No. 70354

Santosh Kumar Shahra

Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 30th June, 2009

Indore: 30th June, 2009

ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. L27100 MH 1987 PLC 142326

State Code 11 Balance Sheet Date 31/03/2009

II Capital Raised during the year

Public Issue NIL Right Issue NIL

Bonus Issue NIL Private Placement NIL

III Position of Mobilisation and Deployment of Funds

Total Liabilities 17224.47 Total Assets 17224.47

Sources of Funds

Paid up capital 3587.00 Reserve Surplus 4567.72

Secured Loans 7936.19 Unsecured Loans 1133.55

Deferred Tax Liability-Net 0.00

Application of Funds

Net Fixed Assets 8653.51 Investments 15.00

Net Current Assets 6313.74 Miscellaneous Expenditure NIL

Accumulated Losses 1425.14 Deferred Tax Asset Net 317.08

IV Performance of the Company

Turnover & Other Income 55398.58 Total Expenditure 58713.15

Profit + / Loss - before tax -3314.57 Profit + / Loss - after tax -2158.42

Earning per Share in Rs. -7.34 Dividend Rate % NIL

V Generic Names of Principal Products/Services of the Company (as per Monetary terms)

Item Code No. (ITC Code) 7209

Product description COLD ROLLED COILS/STRIPS/SHEETS

Signature to Schedule 'A' to 'S'

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**

Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari

Proprietor

Membership No. 70354

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