

■ **Board of Directors**

Mr. Kailash Chandra Shahra	-	Chairman
Mr. Santosh Kumar Shahra	-	Vice - Chairman (upto 25/08/2010)
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

■ **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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DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting 23rd Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

1. OPERATIONAL PERFORMANCE

		(Rs. in lacs)
Financial Results	31.03.2010	31.03.2009
Sales & Other Income	67499.90	55398.58
Gross Profit/ (Loss)	2907.53	(964.81)
Depreciation and Interest	2391.89	2349.76
Profit/ (Loss) before Tax	515.64	(3314.57)
Provision for Tax	15.97	(29.43)
Deferred Tax (Assets)/Liabilities	175.18	(1126.71)
Profit after Tax	324.49	(2158.43)

2. DIVIDEND

Due to inadequate profit of the Company in financial year 2009-10, your Directors express their inability to recommend any dividend for the year under review.

3. DIRECTORS

Shri Ashok Khasgiwala, Shri Manish Jain and Shri Navin Khandelwal, Directors 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.

During the current year, Shri Santosh Kumar Shahra, Vice-Chairman of the Company has resigned from the Board after serving for more than 21 years. We sincerely appreciate and acknowledge the valued contribution made by him in the success and growth of the Company.

4. CORPORATE GOVERNANCE

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

5. FIXED DEPOSITS

During the Financial Year, Company has accepted deposits in accordance with provisions of Section 58A of the Companies Act, 1956 and rules made there under.

6. PREFERENTIAL ALLOTMENT OF 95,47,075 EQUITY SHARES

The Board of Directors at their meeting held on 25th January 2010 have allotted 95,47,075 equity shares of Rs. 10/- each at premium of Rs. 1.05 per equity share on preferential basis to promoters and others and has complied with all applicable provisions.

7. ALLOTMENT OF 9,50,000 5% NON – CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RS. 100/- EACH

The Board of Directors at their meeting held on 14th December, 2009 have allotted 9,50,000, 5% Non Cumulative Redeemable Preference Shares of Rs. 100/- each to its existing preference shareholders and has complied with all applicable provisions.

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 ABSORPTION & 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, Auditor 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 has been explained at 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 (Amendment) 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. ACKNOWLEDGEMENT

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 : 25th August, 2010

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, 2010.

FORM - A

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

A. POWER AND FUEL CONSUMPTION

	2009-2010	2008-2009
Production (MT)	94020.435	54166.904
1. Electricity		
a. Purchased Unit (KWH)	13170257	9619115
Amount (Rs. in lacs)	601.40	467.95
Rate/Unit (Rs.)	4.57	4.86
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.)	4755	168294
Total Amount (Rs. in lacs)	1.62	65.77
Avg. Rate (Per Ltr.)	34.12	39.08
(b) Kerosene		
Quantity (Ltrs.)	350002	97558
Total Amount (Rs. in lacs)	93.61	31.55
Avg. Rate (Per Ltr.)	26.75	32.34
(c) L.P.G.		
Quantity (MMBTU Per.)	89409.1	54754.101
Amount (Rs. in lacs)	34.405	256.22
Avg. Rate (MMBTU Per.)	384.8	467.94

B. CONSUMPTION PER UNIT OF PRODUCTION (PMT)

Product : Cold Rolled Steel Strips/Sheet

	2009-2010	2008-2009
Electricity (KWH)	140.08	177.58
Others		
a. HSD (Ltrs.)	0.05	3.11
b. LPG (MMBTU)	0.95	1.01
c. Kerosene (Ltrs.)	3.72	1.80

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 indigenously 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.3951.52 lacs (Previous year Rs.1543.47 lacs). The expenditure in foreign exchange during the year under review is Rs.10714.82 lacs (Previous year Rs.5661.74 lacs).

For and on behalf of the Board of Directors

Place : Indore

Date : 25th August, 2010

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. Company manufactures cold rolled steel coils and sheets of International Standards, in 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.

With more than average 8% industrial growth during the year 2009-10 and also Automobile segment witnessing an average growth more than 14%, your company could achieve growth of 38% in sales. Your company recorded its highest production of 94020 MT during the year. With our focus on Automobile and Electrical Industries we could successfully develop special grade steels (Medium Carbon Steels). Significantly, we have achieved good growth in special grades which is over 50% compared to the last year. The position of company's Semi process Electrical Steel "RUMAG" which is well established in the market, was strengthened by getting certified under IS-15391 (Approval for Production of semi-processed Electrical Steel). We are the only manufacturer with this certification in India. With Government focusing on energy saving equipments this certification will help us in boosting our marketing efforts.

Your company has also received certificate ISO/TS-16949:2009 which gives your company accreditation for supplies to major automobile OEM's.

Industry Outlook:

In the '**most likely**' scenario of more than 8% GDP growth, we expect the demand of steel to grow above 10%. The forecasts imply a higher rate of growth in demand for almost all Steel categories and a double digit growth rate visualized for flat product category. Domestic Steel consumption witnessed an increase by @ 7.8% indicating further strengthening of demand.

With an expected 16% growth in Auto Sector, your company looks with you to build on the customer base with a focused approach on segments already highlighted viz, Automobiles, Electrical grade & Special steels.

Risk and Concerns:

If steel price contentious to be volatile as witnessed through out the year under review, your company's profitability for this year can be affected. The service center concept being implemented by major Integrated Steel Manufacturer could affect our regional presence/ logistical advantages.

Due to the price fluctuations, the high inventory holding could affect the profitability. This risk is being managed by rationalization and standardization of grades, with more thrust on Global sourcing.

Internal Control Systems and Adequacy:

The company has good internal control systems, which is being recognized and company has been awarded ISO9001:2006 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 stakeholder's expectations. Company has been awarded ISO: 14001:2004 certification in July 2007. Company has already 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:

During the year under review, the sales and other income was Rs. 67499.90 lacs compared to the previous year figures of Rs. 55398.58 lacs. The production of finished goods was 94020.435 MT during the year 2009-10 as compared to 54166.904 MT during the previous year. The gross profit for the current year was Rs.2907.53 Lacs as compared to Loss of Rs. 964.81 lacs in the previous year.

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 stakeholders. 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	5(5)	2(1)
Mr. Santosh Kumar Shahra	Non-Executive	8(5)	-
Mr. Umesh Shahra	Executive	9	2(1)
Mr. Arvind Mishra	Executive	1	-
Mr. Ashok Khasgiwala	Professional	-	-
Mr. Veer Kumar Jain	Independent	1	-
Mr. Navin Khandelwal	Independent	5	3(3)
Mr. Manish Jain	Independent	-	-
Mr. Suneet Shukla (IFCI Nominee)	Independent	1	-
Mr. Vijay Kumar Mahajan	Independent	-	-

This includes directorship held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorship held in Private Limited Companies, Section 25 Companies of the Companies Act, 1956 and Foreign Companies.

Attendance of Directors in Board Meetings and Annual General Meeting

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

- (1) 22nd May 2009 (2) 30th June 2009 (3) 31st July 2009
 (4) 29th October 2009 (5) 14th December 2009 (6) 25th January 2010

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

Name of Director	Attendance	
	Board Meeting	AGM
Mr. Kailash Chandra Shahra	1	✓
Mr. Santosh Kumar Shahra	0	✓
Mr. Umesh Shahra	6	✓
Mr. Arvind Mishra	5	X
Mr. Ashok Khasgiwala	6	✓
Mr. Veer Kumar Jain	2	X
Mr. Navin Khandelwal	4	✓
Mr. Manish Jain	6	✓
Mr. Suneet Shukla (IFCI Nominee)	5	X
Mr. Vijay Kumar Mahajan	4	✓

3. Remuneration to Directors

(a) During the financial year 2009-10, the particulars of remuneration paid to Mr. Umesh Shahra, Managing Director and Mr. Arvind Mishra, Executive Director of the Company are as under :

Sr. No.	Particulars of remuneration	Mr. Umesh Shahra	Mr. Arvind Mishra
1.	Salary	Rs. 14,40,000/-	Rs. 2,97,000/-
2.	Allowances	Rs. 3,60,000/-	Rs. 5,00,906/-
3.	Contribution to Provident Fund	Rs. 1,72,800/-	Rs. 35,640/-

(b) During the financial year 2009-10 sitting fees paid to Non-Executive Directors amounted to Rs. 78,000/-

4. Audit Committee

Audit Committee met five times during the financial year 2009-10. The dates are as follows:-

- (1) 22nd May 2009 (2) 29th June 2009 (3) 30th July 2009
(4) 28th October 2009 (5) 22nd January 2010

The constitution of the Committee and the attendance of each member of the Committee during financial year 2009-10 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	5
Mr. Veer Kumar Jain	Member	Independent Director	Advocate	2

The terms of reference of Audit Committee includes the following :

- a) 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;
- b) To review compliance with internal control systems;
- c) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board ;
- d) 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 ;
- e) 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 2009-10 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 29th August 2009, 27th November 2009 and 24th February 2010.

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 31.03.2010 :

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. 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.

During the financial year the company had received total 45 complaints, out of which 3 complaints related to non receipt of Annual Report, 27 complaints related to non receipt of Share Certificate, 11 complaints for non receipt of Dividend Warrant, 1 complaint related to Dematerialization of Shares, 2 complaint related to Non receipt of Annual Report as well as Dividend Warrant and 1 complaint related to Non receipt of Dividend/Right/Bonus. All the complaints have been resolved to the satisfaction of the Shareholders and no complaint was pending as on 31st March, 2010.

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 31st March 2010 :

Name	Designation	Executive / Non- executive / Independent
Mr. Vijay Kumar Mahajan	Chairman	Non-executive & Independent
Mr. Suneet Shukla	Member	Non-executive & Independent
Mr. Manish Jain	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 one meetings of the Committee was held on 29th October 2009.

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
2009-10	EGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	11.01.2010	11.30 A.M.
2008-09	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	30.09.2009	03.00 P.M.
2007-08	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	30.09.2008	04.00 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.

Special Resolutions were passed at the Annual General Meeting(s) Held on 30th September, 2008 and 30th September, 2009.

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, 2010

Umesh Shakra
Managing Director

11. Communication to Shareholders

Quarterly financial results for the Financial Year 2009-10 were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai Edition). RSAL has its own website, www.ruchistrrips.com 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	: 21 st September, 2010
	Time	: 11:30 A.M.
	Venue	: Indian Textile Accessories & Machinery Manufacturers' Association 2 nd Floor, Bhogilal Hargovindas Building, 18/20-K. Dubash Marg, Kala Ghoda, Mumbai-400001

Financial Calender 2010-11

Adoption of Quarterly Results of the Quarter ended	1 st /2 nd week of
June 30, 2010	August, 2010
September 30, 2010	November, 2010
December 31, 2010	February, 2011
March 31, 2011	April/May, 2011

Annual General Meeting

for the year ending March 31, 2011 : In August / September, 2011

Book closure Dates : 17th September, 2011 to 21st September, 2011

Dividend Payment Date : No dividend is declared for the year 2009-10

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 : 77.80% 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, 2010.

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, 2009	8.29	5.50
May, 2009	9.90	6.50
June, 2009	11.80	8.00
July, 2009	9.38	7.08
August, 2009	9.49	7.27
September, 2009	20.71	8.16
October, 2009	18.95	10.90
November, 2009	14.80	10.45
December, 2009	14.57	8.89
January, 2010	16.10	12.70
February, 2010	13.98	11.75
March, 2010	13.99	11.51

15. Distribution of Shareholding as on 31st March, 2010

Shareholding	Share Holders		Total Number of Shares	% of Shareholding
	Number	% of Total		
Upto 2500	19115	76.460	2426290	6.237
2501 5000	3853	15.412	1546177	3.975
5001 10000	1260	05.040	1079859	2.776
10001 20000	415	01.660	649480	1.670
20001 30000	119	00.476	308840	0.794
30001 40000	43	00.172	158697	0.408
40001 50000	49	00.196	234506	0.603
50001 100000	62	00.248	456978	1.175
100001 & above	84	00.336	32039173	82.362
TOTAL	25000	100.000	38900000	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 31st March, 2010 :

Category	No. of Shares held	% of Shareholding
1. Promoter's Holding including Foreign promoters	11574664	29.75
2. NRIs/OCBs/FIIs	148256	0.38
3. Banks, FIs, Mutual Funds	5385940	13.85
4. Indian Corporate Bodies	13765029	35.39
5. Indian Public	8026111	20.63
TOTAL	38900000	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, 2010 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, 2010 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

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place : Indore
Date : 27th July, 2010

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, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - ii. in the case of Profit & Loss Account, of the Profit 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 : 29th May, 2010

CA Arun Maheshwari
Proprietor
Membership No.70354
(Firm Regn. No. 870 C)

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 accepted deposits from public and complied with the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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, 2010 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 31.03.2010 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	Income Tax Act, 1961	Income Tax	4.41	2002-2003	ITAT, Mumbai
7	Income Tax Act, 1961	Income Tax	103.87	2004-2005	ITAT, Mumbai

* Demand adjusted against refund due to the Company.

- x. The company has accumulated losses of Rs.1086.65 lacs as at 31.03.2010. It has not incurred any cash losses during the financial year covered by our audit, however, it has incurred 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 not defaulted in repayment of dues to any financial institution or bank 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 the Company has not raised any term loan during the year under audit.
- 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 : 29th May, 2010

CA Arun Maheshwari
Proprietor
Membership No.70354
(Firm Regn. No. 870 C)

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	Rs. in Lacs	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	5491.71		3587.00
b) Reserves & Surplus	B	<u>4266.86</u>		<u>4567.72</u>
			9,758.57	8154.72
2. Loan Funds				
a) Secured Loan	C	7676.11		7,936.20
b) Unsecured Loan	D	<u>276.82</u>		<u>1,133.55</u>
			7952.93	9,069.75
	TOTAL		<u><u>17711.50</u></u>	<u><u>17224.47</u></u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block	E	13268.45		13,234.23
b) Less: Depreciation		<u>5383.60</u>		<u>4580.72</u>
c) Net Block			7884.85	8653.51
2. Investments				
	F		15.00	15.00
3. Current Assets, Loans and Advances				
a) Inventories	G	13464.67		8363.76
b) Sundry Debtors	H	9667.12		11859.74
c) Cash and Bank Balances	I	1979.48		993.24
d) Other Current Assets	J	820.10		785.10
e) Loans and Advances	K	<u>989.02</u>		<u>766.79</u>
		26920.39		22,768.63
4. Less: Current Liabilities and Provisions				
a) Current Liabilities		18546.81	16280.49	
b) Provisions		<u>290.48</u>	<u>174.40</u>	16454.89
Net Current Assets			8083.10	6313.74
5. Deferred Tax Assets-Net				
			641.90	817.08
6. Profit and Loss Account				
	M		<u>1086.65</u>	<u>1425.14</u>
	TOTAL		<u><u>17711.50</u></u>	<u><u>17224.47</u></u>
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
(Firm Regn. No. 870 C)

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 29th May, 2010

Indore: 29th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	Rs. in Lacs	2009-2010 Rs. in Lacs	2008-2009 Rs. in Lacs
1. INCOME				
Sales and Services	N	69483.71	58484.60	
Less: Excise Duty		<u>2594.21</u>	<u>66889.50</u>	<u>3255.37</u>
Other Income	O		<u>610.40</u>	<u>169.35</u>
	TOTAL		<u>67499.90</u>	<u>55398.58</u>
2. EXPENDITURE				
Materials	P		<u>60227.83</u>	51518.64
Expenses	Q		<u>4364.54</u>	4844.75
Financial Charges	R		<u>1968.15</u>	1989.53
Depreciation	E	810.84	360.76	-
Less : Transferred from revaluation reserve		<u>387.10</u>	<u>423.74</u>	<u>360.23</u>
	TOTAL		<u>66984.26</u>	<u>58713.15</u>
Profit / (Loss) for the year before tax			<u>515.64</u>	<u>(3314.57)</u>
Provision for taxation				
Current Tax			15.97	-
Deferred Tax			175.18	(1126.71)
Fringe Benefit Tax			-	8.19
Income Tax related to earlier years			-	<u>(37.62)</u>
Profit/ (Loss) after tax			324.49	(2,158.43)
Add: Transfer from Debenture Redemption Reserve			14.00	23.50
Add: Balance Brought forward from previous year			<u>(1425.14)</u>	<u>709.79</u>
Amount available for appropriation			(1086.65)	(1425.14)
Balance carried to Balance Sheet			<u>(1086.65)</u>	<u>(1425.14)</u>
Basic and Diluted Earning Per Share (Note No. B-9) Rs.			1.04	(7.34)

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
(Firm Regn. No. 870 C)

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 29th May, 2010

Indore: 29th May, 2010

**SCHEDULE "A" TO "S" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH,2010 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH,2010.**

	Rs. in Lacs	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
SCHEDULE :A - SHARE CAPITAL			
Authorised			
4,80,00,000 Equity shares of Rs.10/- each. (Previous year 3,30,00,000)	4800.00		3300.00
17,00,000 5% non cumulative redeemable preference share of Rs. 100 each. (Previous year 7,00,000)	1700.00		700.00
		6500.00	4000.00
Issued, Subscribed			
3,89,34,200 Equity shares of Rs.10/-each (previous year 2,93,87,125 Equity shares)		3893.42	2938.71
Paid-Up			
3,89,00,000 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)		3890.00	2938.71
Add: Amount paid on forfeited shares		1.71	0.00
Less: Allotment money unpaid (Other than Directors)		0.00	1.71
		3891.71	2937.00
*Refer note no. 4 of Schedule S			
16,00,000 5% non cumulative redeemable preference shares of Rs. 100 each. (previous year 6,50,000 5% Non-cumulative redeemable Preference Shares)		1600.00	650.00
*Refer note no. 5 of Schedule S		5491.71	3587.00
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
Transfer to Profit & Loss Account	23.17	9.17	23.50
(c) Share premium account Since last year	14.00		8.35
Add: Received during the year	8.35		
(d) Revaluation reserve As per last Balance Sheet	100.24	108.59	
Less : Transferred to profit and loss account	4526.20		4526.20
	387.10	4139.10	4526.20
		4266.86	4567.72
SCHEDULE: C - SECURED LOANS			
A. Debentures			
Redeemable Non-Convertible Debentures		18.33	46.33
B. Term loans			
(i) From Banks			
(a) State bank of India	3993.46		4118.25
(b) State bank of Indore	302.87		300.10
(ii) From Financial Institutions	122.92	4419.25	238.92
C. Working Capital Loans			
From Banks		3238.53	3232.60
		7676.11	7936.20

NOTES:

- Redeemable Non Convertible Debentures and Term loans from Financial Institutions, are secured by way of first mortgage on all immovable properties both present and future ranking pari passu and further secured by pari passu second charge on 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.
- (i) Term loans for State bank of India is secured by first pari passu charge over the company's entire fixed assets and second charge over current assets including finished goods, receivable and other current assets, and personal guarantee of three directors.
(ii) Working capital term loan from State bank of Indore is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of two directors.
- 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.
- Redeemable Non Convertible Debentures privately placed to IFCI Ltd. carry interest rate of 15% p.a.
- Redeemable Non Convertible Debentures are redeemable at par in 4 quarterly installments up to January 2011.
- In case of default in the repayment of term loans, Financial Institution i.e. IFCI Ltd. shall have right to convert the defaulted amount into equity.
- Installments of Redeemable Non Convertible Debentures and Term loans due within one year are; Rs.18.33 lacs (Previous year Rs.28.00 lacs) and Rs.537.42 lacs (Previous year Rs.266.00 lacs) respectively.

As at
31.03.2010
Rs. in Lacs

As at
31.03.2009
Rs. in Lacs

SCHEDULE: D - UNSECURED LOANS

(a) Inter corporate Deposits	194.32	1133.55
(b) Fixed deposits	82.50	-
(Due within next 12 months Rs. 82.50 lacs)	<u>276.82</u>	<u>1133.55</u>

SCHEDULE: E- FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Additions (Revaluation)	Deductions	As at 31.03.2010	Upto 31.03.2009	For the Year*	on Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Freehold land	446.66	0.00	-	-	446.66	-	-	-	-	446.66	446.66
Buildings	1658.05	0.00	-	-	1658.05	414.79	49.30	-	464.09	1193.96	1243.26
Plant & Machinery	10785.20	4.30	-	-	10789.50	3935.99	743.70	-	4679.69	6109.81	6849.21
Furniture & Fixtures	101.16	12.47	-	6.48	107.15	70.85	3.81	1.76	72.90	34.25	30.31
Office Equipments	160.32	15.09	-	0.30	175.11	116.59	6.91	0.04	123.46	51.65	43.73
Vehicles	82.84	15.03	-	5.89	91.98	42.50	7.12	6.16	43.46	48.52	40.34
Total	13234.23	46.89	-	12.67	13268.45	4580.72	810.84	7.96	5383.60	7884.85	8653.51
Previous Year	7890.08	1012.86	4526.73	195.44	13234.23	4405.63	360.76	185.67	4580.72	8653.51	

Depreciation for the year includes Rs. 387.10 lacs (Previous Year (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
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	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
SCHEDULE: G - INVENTORIES		
[As certified and valued by the management]		
(a) Stores, Spares & Packing material	275.32	246.83
(b) Raw materials	9214.77	3645.87
(c) Work in Progress	1861.43	3202.07
(d) Finished Goods	1988.61	1223.30
(e) Scrap	124.54	45.69
(At lower of cost or net realisable value, except scrap valued at net realisable value)	<u>13464.67</u>	<u>8363.76</u>
SCHEDULE: H - SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months	723.44	946.49
Other Debts	8943.68	10913.25
Refer Note no. 16 of Schedule S	<u>9667.12</u>	<u>11859.74</u>
SCHEDULE: I - CASH AND BANK BALANCES		
Cash on hand	4.20	5.52
Balances with Scheduled Banks		
(a) In Current Accounts	536.25	25.28
(b) In Deposit Accounts	<u>1439.03</u>	<u>962.44</u>
	<u>1979.48</u>	<u>993.24</u>
SCHEDULE: J - OTHER CURRENT ASSETS		
(a) Interest Receivable	23.43	29.35
(b) Other Receivable	796.67	755.75
	<u>820.10</u>	<u>785.10</u>
SCHEDULE: K - LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received.	546.33	395.29
(b) Deposit with Govt. Departments.	246.30	244.28
(c) Deposit with Others	19.14	13.64
(d) Advance Income Tax (Including TDS)	177.25	113.58
	<u>989.02</u>	<u>766.79</u>
SCHEDULE: L - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
(a) Sundry creditors	16576.02	14856.83
(b) Customer's credit balances	1669.39	1161.27
(c) Other liabilities	295.96	253.81
(d) Interest accrued but not due on loans	5.44	8.58
	<u>18546.81</u>	<u>16280.49</u>
PROVISIONS		
(a) Provision for employee benefits	48.95	61.26
(b) Provision for taxation	55.39	39.43
(c) Provision for Excise duty on closing stock	186.14	73.71
	<u>290.48</u>	<u>174.40</u>

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE: M- PROFIT & LOSS ACCOUNT		
Profit and Loss Account Balance	<u>(1086.65)</u>	<u>(1425.14)</u>
SCHEDULE: N- SALES AND SERVICES		
Sales	69383.30	58468.36
Job Processing Charges (Gross)	100.41	16.24
{Tax deducted at source Rs. 2.08/- Lacs} {Pre.year Rs. 0.21/- Lacs}}	<u>69483.71</u>	<u>58484.60</u>
SCHEDULE: O - OTHER INCOME		
Insurance claims received	0.77	8.69
Foreign Exchange Fluctuation (Net)	437.31	-
Miscellaneous Income	19.63	64.39
Interest received	152.69	91.04
{Tax deducted at source Rs. 15.61 lacs (prev. year Rs. 20.01 lacs)}		
Profit on sale of Fixed Assets	-	5.23
	<u>610.40</u>	<u>169.35</u>
SCHEDULE: P - MATERIALS		
(a) Raw materials consumed	26537.77	23007.81
(b) Purchase of Semi processed goods	13939.76	
(c) Purchase of Traded goods	19141.39	29644.00
(d) Variation in Stocks		
Stock at close:		
Finished goods	1988.62	1223.30
Work-in-progress	1861.42	3202.07
Scrap	124.54	45.69
	<u>3974.58</u>	<u>4471.06</u>
Less: Stock at commencement		
Finished goods	1223.30	1665.61
Work-in-progress	3202.07	1760.12
Scrap	45.69	40.49
	<u>4471.06</u>	<u>3466.22</u>
Add/Less: Increase/decrease in Excise duty on closing stock of finished goods	112.43	(128.33)
	<u>608.91</u>	<u>(1133.17)</u>
	<u>60227.83</u>	<u>51518.64</u>

	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE: Q - EXPENSES			
Power and Fuel		1040.68	821.49
Consumption of Stores, Spares & Packing Materials		510.21	381.49
Processing Charges		134.51	115.84
Repairs:			
Building	12.74		7.78
Plant & Machineries	13.50		9.16
Others	38.34	64.58	38.97
Salaries, Wages and Bonus		733.41	690.58
Contribution to Provident & Other Funds		29.98	28.81
Workmen and Staff Welfare		33.55	31.71
Rent		20.77	21.31
Rates & Taxes		1.08	1.40
Insurance		20.36	14.95
Freight and forwarding charges		1274.65	837.93
Export Expenses		117.62	67.59
Travelling & Conveyance (Including Rs. 2.67 lacs to Directors (prev.year Rs.4.72 lacs))		78.78	92.25
Loss on sale of fixed Assets		0.80	-
Exchange fluctuation		-	1410.82
Other Expenses		303.56	272.67
		4364.54	4844.75
SCHEDULE: R - FINANCIAL CHARGES			
Interest:			
On Debentures and Other Fixed Loans	526.70		233.47
Others	1047.84	1574.54	1369.15
Bank Commission & Charges		393.61	386.91
		1968.15	1989.53

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010 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 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 revalued 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) Inventories are valued at lower of cost or net realisable value on FIFO basis except goods in transit which is stated at cost and value of stores, spares, consumables and packing materials are arrived at on Moving Average Price basis. 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 taking into account certainty of realization and its subsequent utilization.

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 and 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 recognized 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 and quantified using tax rates and laws enacted or substantively enacted as on Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realized.

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	2009-10	2008-09
	Rs. in Lacs	Rs. in Lacs
1. Contingent Liabilities not provided for		
a) Outstanding Bank guarantees	625.97	183.23
b) Disputed liabilities not acknowledged as debts.	475.45	402.76
2. Sundry Creditors includes bills payable for purchases of material Rs. 9103.71 lacs (previous year Rs. 3722.51 lacs)		
3. During the year, the Company has forfeited 34200 equity shares of Rs. 10/- each (Amount paid up Rs. 5/-).		
4. Preferential issue of Equity Shares :		
a) In order to repay the existing unsecured loans raised as margin for availing Working Capital Term Loan(s) and augment its working capital, the Company has come out with preferential allotment of equity shares to Promoters and other investors during the year, at an issue price calculated in accordance with SEBI (ICDR) Guidelines, 2009, duly approved by the Board of Directors and Share holders of the company.		
b) The Company has allotted 95,47,075 Equity Shares of Rs. 10/- each at a premium of Rs. 1.05 per shares on 25th January, 2010.		
c) The entire proceeds have been utilized for the purpose for which it was raised.		
5. Issue of Preference Shares :		
a) The Company has issued and allotted 9,50,000 5% Non-cumulative redeemable preference shares of Rs. 100/- each on 14th December, 2009, aggregating to Rs. 950 lacs, to meet margin requirements for availing Working Capital Term Loan(s). The shares, issued to Promoter group, are redeemable on completion of 14 years from the date of issue.		
b) The entire proceeds have been utilized for the purpose for which it was raised.		
6. Remuneration to Auditors :		
a) As Audit Fee	0.75	0.75
b) for Certification including Tax Audit	0.36	0.35
c) Out of Pocket expenses	0.25	0.29
7. Remuneration to Managing & Executive Directors :		
a) Salary	17.37	16.63
b) Allowances*	8.61	7.37
c) Contribution to Provident & other Fund	2.08	1.99
	<u>28.06</u>	<u>25.99</u>

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

8. Related Party Disclosures:

1. Relationships

(a) Key Management Personnel & relatives

Shri Kailash Chandra Shahra	Chairman
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	2009-10		2008-09	
	Related Parties		Related Parties	
	Referred in 8(1) (a)	Referred in 8(1) (b)	Referred in 8 (1) (a)	Referred in 8 (1) (b)
Sales		5685.50		3399.25
Purchases		7936.19		3690.54
Expenses				
Remuneration	28.06	-	25.99	-
Rent	0.60	0.60		0.60
Maintenance Charges		-		0.99
Outstandings				
Receivable	-	-		127.79
Payable	-	3337.33		-

9. Earning Per Share (EPS)

	2009-10	2008-09
(a) Net Profit after tax (Rs. in Lacs)	324.49	(2158.43)
(b) Weighted Average Number of Equity Shres	31079245	29387125
(c) Basic and diluted earning per share (Rs.)	1.04	(7.34)
(d) Nominal value per ordinary share	Rs. 10	Rs. 10

10. 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.

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	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue	58627.82	44114.41	-	-	8719.39	11187.91	152.69	96.27	67499.90	55398.58
Segment results (PBIT)	1640.09	(1,769.00)	-	-	375.00	40.51	75.09	16.54	2090.18	(1711.95)
Less : Interest	-	-	-	-	-	-	-	-	1574.54	1602.62
Profit before Exceptional/ Extraordinary item.	-	-	-	-	-	-	-	-	515.64	(3314.57)
Exceptional/ Extraordinary item.	-	-	-	-	-	-	-	-	-	-
Profit before Tax	-	-	-	-	-	-	-	-	515.64	(3314.57)
Less:-Current Tax	-	-	-	-	-	-	-	-	15.97	-
Income Tax of Previous Years	-	-	-	-	-	-	-	-	-	(37.62)
Deferred Tax (Assets) Liabilities	-	-	-	-	-	-	-	-	175.18	(1126.71)
Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	8.19
Profit after Tax	-	-	-	-	-	-	-	-	324.49	(2158.50)
Segment Assets	30998.02	29136.49	29.48	30.57	1486.58	1074.23	2113.92	1067.27	34628.00	31308.56
Segment Liabilities.	17108.48	15257.68	0.50	0.50	1432.38	1013.73	5.44	8.58	18546.81	16280.49
Capital Expenditure.	19.32	985.43	-	-	-	-	27.57	27.43	46.89	1012.86
Segment Depreciation	405.90	327.79	-	-	-	-	17.84	32.44	423.74	360.23
Non Cash expenditure other than depreciation	-	-	-	-	-	-	0.80	-	0.80	-

Depreciation for the year of Steel segment includes Nil (Prev. Year Rs. 4.45/- Lacs) impairment loss on Fixed assets.

b) Secondary Segment Geographical.

The Company's operating facilities are located in India.

Domestic Revenue

63497.99 53809.20

Export Revenue

4001.91 1589.38

Total

67499.90 55398.58

Note:

(a) Unallocable segment assets exclude the following:-

(i) Investments

15.00 15.00

(ii) Advance Income Tax

177.25 113.58

(iii) Deferred Tax Assets

641.90 817.08

(b) Unallocable segment liabilities exclude the following:-

(i) Secured Loans

7676.11 7936.20

(ii) Unsecured Loans

276.82 1133.55

(iii) Provision for Tax

55.39 39.43

13. Deferred Tax Liability (Net)

Deferred Tax
Assets/(Liability)
as at 31.03.2010

Deferred Tax
Assets/(Liability)
as at 31.03.2009

Deferred Tax Liability :

Difference between book & Tax Depreciation

(335.04)

(339.12)

Deferred Tax Assets :

Unabsorbed Depreciation

133.92

133.92

Unabsorbed business loss

821.53

999.50

Dis Allowance U/s 43 B

21.49

22.78

976.94

1156.20

641.90

817.08

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. Disclosure requirements as per AS 15 "Employee Benefits" (Revised 2005)

	2009-10		2008-09	
	Gratuity	Leave Encashment Rs. in Lacs	Gratuity	Leave Encashment Rs. in Lacs
I. Change in Benefit Obligation				
Liability at the beginning of the year	75.69	28.36	58.39	26.41
Interest Cost	6.37	2.23	5.08	1.83
Current Service Cost	8.21	3.66	6.16	2.67
Past Service Cost (Non Vested Benefit)	-	-	-	-
Past Service Cost (Vested Benefit)	-	-	-	-
Liability Transfer in	-	-	-	-
Liability Transfer out	-	-	-	-
Benefit Paid	(8.62)	(8.30)	(2.10)	(12.38)
Actuarial (gain)/loss on obligations	(8.19)	(1.83)	8.15	9.83
Liability at the end of the year	73.46	24.13	75.69	28.36
II. Change in Fair value of Plan Assets				
Fair Value of plan Assets at the beginning of the year	42.79	-	36.05	-
Expected Return on plan Assets	4.00	-	3.23	-
Contributions	11.51	8.30	5.36	12.38
Transfer from other company	-	-	-	-
Transfer to other company	-	-	-	-
Benefit Paid	(8.62)	(8.30)	(2.10)	(12.38)
Actuarial gain/(loss) on Plan Assets	(0.24)	1.83	0.24	(9.83)
Fair Value of Plan Assets at the end of the year	49.44	-	42.79	-
Total Actuarial Gain/(Loss) to be Recognised	-	1.83	(7.91)	(9.83)
III. Amount Recognised in the Balance Sheet				
Liability of the end of the year	73.46	24.13	75.69	28.36
Fair Value of Plan Assets at the end of the year	49.44	-	42.79	-
Difference	(24.02)	(24.13)	(32.90)	(28.36)
Un recognised Past Service Cost	-	-	-	-
Un recognised Transition Liability	-	-	-	-
Amount Recognised in the Balance Sheet	(24.02)	(24.13)	(32.90)	(28.36)
IV. Expenses Recognised in Profit and Loss Account				
Current Service Cost	8.21	3.66	6.16	2.67
Interest Cost	6.37	2.23	5.08	1.83
Expected Return on Plan Assets	(4.00)	-	(3.23)	-
Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Recognition of Transition Liability	-	-	-	-
Actuarial Gain or Loss	(7.95)	(1.83)	7.91	9.83
Expense Recognised in P&L	2.63	4.06	15.92	14.33
V. Assets Information				
Government of India Assets	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposits Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Other	-	-	-	-
Insurer Managed Funds	49.44	-	42.79	-
Total	49.44	-	42.79	-

VI. Balance Sheet Reconciliation

Opening Net Liability	32.90	28.36	22.34	26.41
Expense as above	2.63	4.06	15.92	14.33
Employers Contribution	11.51	8.30	5.36	12.38
Amount Recognised in Balance Sheet	24.02	24.13	32.90	28.36

VII. Assumptions :

Discount Rate Previous	8.00%	8.00%	8.00%	8.00%
Rate of Return on Plan Assets Previous	8.00%	-	8.00%	-
Salary Escalation Previous	6.00%	6.00%	6.00%	6.00%
Discount Rate Current	8.25%	8.25%	8.00%	8.00%
Rate of Return on Plan Assets Current	8.00%	-	8.00%	-
Salary Escalation Current	6.00%	6.00%	6.00%	6.00%

17. Financial and Derivative Instruments

A. Forward Contracts entered into by the Company

Particulars	Currency	No. of Contracts	Amount in USD	Amount in INR
Covered against import	USD	7	4937728.59	2288.81
	Euro	1	250,000.00	154.13

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

Currency	Payable	Receivable	Net
USD	12293377.79	3207165.60	9086212.19
Euro	258,895.63	0.00	258,895.63

2009-10

2008-09

18. A. CAPACITY & PRODUCTION

Cold Rolled Strips/Sheets

i) Licensed Capacity (MTs.)	*	N.A.	*	N.A.
ii) Installed Capacity (MTs.)	**	100000.000	**	100000.000
iii) Actual Production (MTs.)	***	94020.435	***	54166.904

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

** As Certified by the Chartered Engineer

*** Production excludes 748.810 Mts reprocess (pre.year 3439.970 Mts.) and includes 2811.940MT of Job Work (Prev. Year 174.415 MT)

2009-10

2008-09

B. TURNOVER

	Quantity (MTS)	Value Rs. in Lacs	Quantity (MTS)	Value Rs. in Lacs
a) Cold Rolled Strips/Sheets*	141178.731	55529.60	102444.740	45139.69
b) Job-Work Processing	0.000	100.41	0.000	16.24
c) Waste and Scrap	0.000	1439.93	0.000	954.14
d) H.R.Coil	8255.540	2232.22	4625.816	1186.62
e) DOC	2805.910	625.11	3597.664	716.91
f) Others		9556.43		10471.00

* Sales Includes Excess/Shortage and transit loss.

C. STOCK OPENING

Cold Rolled Strips/Sheets	3034.444	1223.30	3682.421	1665.61
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D. STOCK CLOSING

Cold Rolled Strips/Sheets	4538.645	1988.62	3034.444	1223.30
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E. MATERIAL CONSUMED

Hot Rolled Coils	98414.459	27146.68	58383.405	23007.81
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F. PURCHASE OF SEMI PROCESSED GOODS

CRCA	33841.657	13939.76	-	-
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G. PURCHASE OF GOODS TRADED IN

a) Cold Rolled Strips/Sheets	17632.780	7208.59	44364.314	17314.89
b) H.R.Coil	8255.540	2140.26	3892.706	1181.71
c) DOC	2805.910	621.35	3597.664	679.42
d) Others		9171.19		10467.98

H. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

	%	Value	%	Value
a) Raw Material				
Imported	31.14	8454.14	31.83	7324.05
Indigenous	68.86	18692.54	68.17	15683.76
b) Stores & Spares				
Imported	0.24	2.37	0.00	0.00
Indigenous	99.76	507.84	100.00	735.03

I. VALUE OF IMPORTS ON CIF BASIS

a) Hot Rolled Coils	7889.53	4130.90
b) Cold Rolled Strips/Sheets	0.00	522.57
c) Stores	2.37	0.00
d) Merchandise trade	2821.32	1007.90

J. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling	1.60	0.37
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K. EARNING IN FOREIGN CURRENCY (FOB Value)

Export of goods	1097.97	530.24
Merchandise trade	2853.55	1013.22

L. 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
(Firm Regn. No. 870 C)

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore: 29th May,2010

Indore: 29th May,2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	CURRENT YEAR Rs. in Lacs	PREVIOUS YEAR Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
a) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	515.64	(3314.57)
ADJUSTMENT FOR:		
DEPRECIATION	423.74	360.23
INTEREST	1421.86	1511.58
-PROFIT/+LOSS ON SALE OF FIXED ASSETS	0.80	(5.23)
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2362.04	(1447.98)
ADJUSTMENT FOR:		
TRADE & OTHER RECEIVABLE	1999.05	(2098.17)
INVENTORIES	(5100.90)	872.97
TRADE & OTHER PAYABLE	2254.00	742.15
c) CASH GENERATED FROM OPERATIONS	1514.19	(1931.02)
DIRECT TAXES PAID	48.77	(185.19)
d) CASH FLOW BEFORE EXTRAORDINARY ITEM	1562.96	(2116.21)
EXTRAORDINARY ITEM	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	1562.96	(2116.21)
B CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	152.68	91.04
SALE OF FIXED ASSETS	3.91	15.00
PURCHASE OF FIXED ASSETS	(46.89)	(636.79)
NET CASH FLOW FROM INVESTING ACTIVITIES	109.70	(530.75)
C CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES	2004.95	0.03
PROCEED FROM BORROWINGS	(1116.82)	4348.00
INTEREST PAID	(1574.54)	(1602.62)
NET CASH FLOW FROM FINANCING ACTIVITIES	(686.41)	2745.41
D NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	986.25	98.44
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	993.23	894.79
CASH & CASH EQUIVALENT AT END OF THE YEAR	1979.48	993.23

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
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Kailash Chandra Shahra
Chairman

Santosh Kumar Shahra
Vice Chairman

Umesh Shahra
Managing Director

Indore: 29th May, 2010

Indore: 29th May, 2010

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	31/03/2010

II Capital Raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	1904.71

III Position of Mobilisation and Deployment of Funds

Total Liabilities	17711.50	Total Assets	17711.50
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Sources of Funds

Paid-up capital	5491.71	Reserves & Surplus	4266.86
Secured Loans	7676.11	Unsecured Loans	276.82
Deferred Tax Liability-Net	0.00		

Application of Funds

Net Fixed Assets	7884.85	Investments	15.00
Net Current Assets	8083.10	Miscellaneous Expenditure	NIL
Accumulated Losses	1086.65	Deferred Tax Asset Net	641.90

IV Performance of the Company

Turnover & Other Income	67499.90	Total Expenditure	66984.26
Profit + / Loss - before tax	515.64	Profit + / Loss - after tax	324.49
Earning per Share in Rs.	1.04	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
(Firm Regn. No. 870 C)

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore: 29th May, 2010

Indore: 29th May, 2010