



AML STEEL LIMITED

AML STEEL LIMITED16th Annual Report 2008-09**DIRECTORS**

Shri Ashok Agarwal, Managing Director
 Shri Ajay Agarwal, Director
 Shri Ankit Agarwal, Director
 Shri S.Kolandai Raj, Director
 Shri Vinay Kishore Kasat, Director
 Shri Inderjeet Kaushal

COMPANY SECRETARY

Smt. Sonu Lohia

AUDITORS

M/s. K.P.Jain & Co.,
 Chartered Accountants
 130, Thambu Chetty Street,
 Chennai-600 001.

BANKERS

Central Bank of India
 Mount Road Branch,
 Chennai-600 002.

Federal Bank Limited
 Rajaram Mehta Nagar Branch,
 115, Nelson Manickam Road
 Chennai -600 029.

IDBI Limited
 115, Anna Salai, Saidapet,
 Chennai – 600 035

UCO Bank
 Burkit Road, T.Nagar,
 Chennai-600 017.

Axis Bank Limited
 82, Cathedral Road,
 Chennai-600 004.

Allahabad Bank
 SRCM, Manapakkam Branch,
 Chennai – 600 116.

State Bank of India
 No.155, Anna Salai,
 Chennai – 600 002.

SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
 "Subramanian Building "
 No. 1, Club House Road,
 Chennai – 600 002.

REGISTERED OFFICE

B-73, Sipcot Industrial Complex,
 Gummidipoondi-601 201.

**CORPORATE
OFFICE**

AML Towers,
 No.9 , 6th Street,
 Gopalapuram
 Chennai-600 086

FACTORIES

Erripakkam Village
 Nettapakkam Commune
 Pondicherry- 605 106

57/2A & 2C , Nainikattalai Road,
 Polagam Village TR Pattinam,
 Karaikal – 609 606.

B-73, Sipcot Industrial Complex,
 Gummidipoondi - 601201

Mouza- Mashera
 Thana No. 155,
 P.S.Seraikela
 Dist. Seraikela-Kharsawan
 Jharkhand.

237/4, Hekitta Road, Wattala,
 Srilanka.

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NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of AML STEEL LIMITED (Formerly 'Ashok Magnetics Limited') will be held on Wednesday the 30th day of September, 2009 at 11.30 A.M. at the Registered Office of the Company at B-73, SIPCOT Industrial Complex, Gummudipoondi - 601201, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet of the Company as at 31st March 2009 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Ajay Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Ankit Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. K.P. Jain & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Inderjeet Kaushal who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and Article of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

By Order of the Board
for AML STEEL LIMITED

Place : Chennai
Date : 21.07.2009

Sonu Lohia
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 A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE TIME FIXED FOR HOLDING THE MEETING OF THE MEETING.
3. The register of members and share transfer books of the company will remain closed from 24.09.2009 to 30.09.2009 (both days inclusive).
4. Members are requested to inform change if any, in their address to the Company immediately in terms of clause 49(IV)(G) of the Listing Agreement

By Order of the Board
for AML STEEL LIMITED

Place : Chennai
Date : 21.07.2009

Sonu Lohia
Company Secretary

ANNEXURE TO NOTICE THE INFORMATION IN RESPECT OF ITEM NO 2, 3 & 5 PURSUANT TO SEBI CODE FOR CORPORATE GOVERNANCE ABOUT DIRECTOR SEEKING APPOINTMENT / REAPPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No 2	Item No 3	Item No 5
Name of Director	Shri Ajay Agarwal	Shri Ankit Agarwal	Shri Inderjeet Kaushal
Date of Birth	01.01.1974	04.05.1987	20.03.1942
Date of Appointment	10.07.1995	31.01.2008	02.03.2009
Qualification	Bachelor in Commerce	Bachelor in Engineering	Bachelor in Science
Experience in specific Functional areas	Shri Ajay Agarwal started his business career with the marketing and accounts functions in AML Steel Ltd.(AMSL). For over 14 years he has been monitoring and coordinating all the group activities, especially since AML group has forayed into acquisition of steel manufacturing unit ,starting 1995	Shri Ankit Agarwal was appointed as the director of the Company over a year back. In a very short span of time he has proven his abilities in accounts & finance function of the organization and also been successful in accomplishing long term goal & objective of the group.	Shri Inderjeet Kaushal has more than 35 years of rich experience particularly in Coal and Mining Industry. He served as GM (Tech)NCL in Coal India Ltd. & Dy. GM in Northern Coal Field Ltd. He was Advisor to Bureau Industrial Cost & Prices. He served as Project Manager in various leading projects like Thaper Intrafar Co. of India Ltd., Madhuban project, Tata Jamadoba, Cemindia and many more.
List other Companies In which directorship Held	1. AML STEEL & POWER LTD. 2. EMBARK INFRASTRUCTURE PVT. LTD 3. ANKIT ISPAT PVT LTD	1.AML STEEL & POWER LTD 2. ANKIT ISPAT PVT. LTD	Nil
Chairman /Member of the Committee of the Board of Director of the Company	Shareholder Grievance Committee - Chairman	Audit Committee-Chairman	Nil

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

The Board of Directors of the Company have inducted Shri Inderjeet Kaushal as an Additional Director of the Company at their meeting held on 2nd March 2009. Accordingly, he holds office as an Additional Director upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member signifying his attention to propose Shri Inderjeet Kaushal as a Director. The Board considers that it would be in the interest of the Company to continue to avail the benefit of service of Shri Inderjeet Kaushal as an Independent - Non Executive Director, further, he is not holding any share of the Company.

None of the Directors except Shri Inderjeet Kaushal is deemed to be concerned or interested in the resolution.

The Directors recommend the resolution to be approved as an Ordinary Resolution by the shareholder.

By Order of the Board
for AML STEEL LIMITED

Sonu Lohia
Company Secretary

Place : Chennai
Date : 21.07.2009

CONSOLIDATED FINANCIAL STATEMENTS

AML

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF AML STEEL LTD (formerly ASHOK MAGNETICS LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AML STEEL LTD AND ITS SUBSIDIARIES.

We have examined the attached Consolidated Balance Sheet of AML STEEL LTD and its Subsidiaries, as at 31st March 2009, and also the Consolidated Profit and Loss Account for the year ended as on that date annexed thereto. These financial statements are the responsibility of the AML STEEL LTD's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 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.

We have not audited the financial statements of one of the subsidiary company, Ashok Steel Industries (P) Ltd., Sri Lanka. These financial statement have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of the subsidiaries, is based solely on the report of the other auditor.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, issued by the Institute of Chartered Accountants of India and on the basis of the separate financial statements of AML STEEL LTD and those of its subsidiaries.

According to the information and explanation given to us and on the consideration of the audit reports on individual audited financial statement of AML STEEL LTD and its subsidiaries, we are of the opinion that:

1. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of AML STEEL LTD and its subsidiaries as at 31st March 2009 and
2. The Consolidated Profit and Loss account gives a true and fair view of the consolidated results of operations of AML STEEL LTD and its subsidiaries for the year ended on that date.

"As per our report of even date."

for K.P.JAIN & CO.,
Chartered Accountants

CA.KISHORE P. JAIN
Proprietor
Membership No. 027236

Place : Chennai
Date : 21.07.2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	Sch. No.	2008-2009 (Rs. in thousands)		2007-2008 (Rs. in thousands)	
SOURCE OF FUNDS					
Shareholders Funds:-					
Share Capital	1	75,000.00	.	75,000.00	
Share Application Money		200,124.65		200,124.65	
Reserves & Surplus	2	498,652.87	773,777.52	484,248.91	759,373.56
Loan Funds					
Secured Loans	3	1,464,117.73		1,348,478.04	
Unsecured Loans	4	265,688.65	1,729,806.38	134,060.05	1,482,538.09
Deferred Tax Liability			91,450.46		45,065.16
			2,595,034.37		2,286,976.81
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	1,816,498.88		1,694,371.43	
Less: Accumulated Depreciation		141,690.96		86,480.49	
Net Block			1,674,807.93		1,607,890.94
Goodwill on Consolidation			3,617.16		5,443.28
Investments	6		3,404.76		3,985.60
Current Assets & Loans & Advances					
Inventories	7	646,304.38		897,297.40	
Sundry Debtors	8	608,640.91		308,327.12	
Cash & Bank Balances	9	58,933.34		43,301.80	
Loans & Advances	10	85,819.84	1,399,698.47	62,100.80	1,311,027.12
Less: Current Liabilities & Provisions					
Current Liabilities	11	503,388.29		648,808.14	
Provisions		11,739.56	515,127.85	25,260.97	674,069.11
Net Current Assets			884,570.62		636,958.00
Miscellaneous Expenditure	12		28,633.90		32,698.99
Notes to the Accounts					
			2,595,034.37		2,286,976.81

"As per our report of even date."

For and on Behalf of the Board

for K.P.JAIN & CO.,
Chartered Accountants

CA. KISHORE P. JAIN
Proprietor
Membership No. 027236

ASHOK AGARWAL
Chairman & Managing Director

AJAY AGARWAL
Director

Place : Chennai
Date : 21.07.2009

SONU LOHIA
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

AML

CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2009

Particulars	Sch.No.	Consolidated 2008-2009 (Rs. in thousands)	Consolidated 2007-2008 (Rs. in thousands)
Income			
Sales	13	3,188,074.66	2,233,685.64
Other Income	14	1,977.19	7,844.10
Increase / (Decrease) in Stock	15	(256,712.02)	455,811.00
	A	2,933,339.83	2,697,340.74
Expenditure			
Manufacturing Expenses	16	2,258,232.25	2,017,457.66
Employees Remuneration	17	20,491.66	25,262.00
Administrative Expenses	18	355,904.89	413,264.34
Interest	19	193,527.39	54,966.18
Preliminary Expenses W/off		7,427.94	7,427.94
Depreciation		53,516.04	31,995.52
	B	2,889,100.17	2,550,373.64
Profit Before Tax	(A-B)	44,239.66	146,967.10
Tax for the year - Current Tax		4,547.27	16,549.06
Mat Credit Entitlement		(14,925.61)	-
Tax for the year - Deferred Tax		46,385.30	30,997.70
Tax for the year - Fringe Benefit Tax		361.69	381.00
Profit After Tax		7,871.02	99,039.34
Surplus brought forward from previous year		386,115.15	328,095.66
Amount available for appropriation		393,986.17	427,135.00
Proposed Dividend (Including Dividend Tax)		-	7,019.7
Transfer to General Reserve		7,000.00	7,000.00
Balance carried forward to Balance Sheet		386,986.17	413,115.30

"As per our report of even date."

For and on Behalf of the Board

for K.P.JAIN & CO.,
Chartered Accountants

CA. KISHORE P. JAIN
Proprietor
Membership No. 027236

ASHOK AGARWAL
Chairman & Managing Director

AJAY AGARWAL
Director

Place : Chennai
Date : 21.07.2009

SONU LOHIA
Company Secretary

SIXTEENTH ANNUAL REPORT

**SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET &
PROFIT & LOSS ACCOUNT 31ST MARCH 2009**

Particulars	Consolidated 2008-2009 (Rs. in thousands)	Consolidated 2007-2008 (Rs. in thousands)
Schedule-1		
Share Capital		
Authorised Share Capital 3,00,00,0000 Equity Shares of Rs.10/- each	300,000.00	300,000.00
	300,000.00	300,000.00
Issued, Subscribed & Paid up 75,00,000 Equity Shares of Rs.10 each	75,000.00	75,000.00
	75,000.00	75,000.00
Schedule-2		
Reserves & Surplus		
Investment subsidy - As per last Balance Sheet (A)	1,491.45	1,491.45
General Reserve		
As per the Last balance Sheet	103,175.26	62,642.16
Add: Transferred from Profit & Loss Account	7,000.00	7,000.00
(B)	110,175.26	69,642.16
Less: Adjusted for Bonus Issue	-	-
Less: Adjusted for Deferred tax Liability	-	-
Balance in the Profit & Loss Account (C)	386,986.17	413,115.30
Total A + B + C	498,652.87	484,248.91
Schedule-3		
Secured Loans		
Cash Credit		
From Central Bank of India	127,088.52	94,830.25
From Federal Bank Ltd	47,463.71	48,232.64
From Standard Chartered Bank	0.22	54,654.26
From IDBI Bank	38,905.86	43,445.86
From UCO Bank	38,990.57	37,938.96
From State Bank of India	126,466.83	59,752.01
OD account		
Federal Bank	74.79	-
Corporation bank	231.35	-
Term Loan		
From Govt. of Tamil Nadu-IFSTL	4,111.75	4,111.75
From Federal Bank Ltd	131,812.86	142,732.39
From UTI Bank Ltd	58,016.52	62,777.00
From Allahabad Bank	19,154.31	22,777.93
From Centurian Bank of Punjab	-	355.31
From State Bank of India	209,271.40	110,643.77
From Central Bank of India	260,000.00	263,977.79
From IDBI Bank	200,000.00	200,000.00
From UCO Bank	200,000.00	200,000.00
From Indo Lanka Metals (Pvt) Ltd.	1,527.00	-
Hire Purchase Loan	1,002.05	2,248.12
	1,464,117.73	1,348,478.04

Schedule 5

Fixed Assets

(Rs. in thousands)

Description	Gross Block			Depreciation			Net Block	
	as on 01.04.08	Additions	as on 31.03.09	as on 01.04.08	During the year	as on 31.03.09	31.03.09	31.03.08
Land	105,506.52	-	93,589.42	-	-	-	93,589.42	93,589.42
Building	228,548.80	18,898.14	260,345.22	10,387.92	7,307.72	17,695.64	242,649.58	223,046.42
Plant & Machinery	613,311.93	67,785.14	684,854.29	47,816.48	34,875.65	84,363.48	600,490.81	546,563.16
Wind Mill at Thenkasi	29,900.00	-	29,900.00	263.12	131.56	394.68	29,505.32	29,900.00
Other Equipment	12,782.22	9,195.00	21,977.22	5,912.65	1,459.20	7,371.84	14,605.38	12,547.01
Tools & Dies	3,191.92	156.46	3,552.62	1,459.97	350.66	1,815.35	1,737.27	843.06
Cycle	7.40	-	7.40	4.86	0.52	5.39	2.01	7.40
Vehicles	26,027.30	3,858.49	30,078.92	10,839.21	2,325.15	13,145.19	16,933.73	23,135.77
Aircraft	16,660.00	-	16,660.00	310.98	932.96	1,243.95	15,416.05	16,660.00
Office Equipments	7,069.11	579.54	7,671.01	897.61	530.45	1,428.45	6,242.56	6,573.54
Electrical Equipments	57,182.82	14,498.42	72,072.17	8,044.71	5,468.94	13,550.91	58,521.26	50,559.17
Furniture & Fittings	1,650.44	11.68	1,819.02	542.98	133.26	676.09	1,142.94	1,377.16
Work in Progress	592,532.97	1,438.61	593,971.58	-	-	-	593,971.58	592,532.97
Grand Total	1,694,371.43	116,421.48	1,816,498.88	86,480.49	53,516.06	141,690.98	1,674,807.91	1,597,335.08
Previous Year	489,076.68	1,205,294.75	1,694,371.43	50,798.61	35,681.88	86,480.49	1,607,890.94	