


STEEL INDUSTRIES LIMITED

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ENSA STEEL INDUSTRIES LIMITED

For Ensa Steel Industries Limited

Director

23RD ANNUAL REPORT
2006-2007

ENSA STEEL INDUSTRIES LIMITED

23rd ANNUAL REPORT 2006-07

BOARD OF DIRECTORS

R. J. Sandesara

Director

J. C. Sandesara

Director

R. B. Dixit

Director

T. S. Suthar

Director

T. R. Thakkar

Director

BANKERS

Andhra Bank

Corporation Bank

AUDITORS

H. S. Hathi & Co.

Chartered Accountants

REGD. OFFICE

43, Atlanta,

Nariman Point,

Mumbai - 400 021.

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

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DIRECTORS' REPORT

To the Members,
ENSA STEEL INDUSTRIES LIMITED

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 30th June, 2007.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	Year Ended 30-06-2007	Year Ended 30-06-2006
OPERATING PROFIT (PBIDT)	155.16	327.80
Interest	4.94	5.58
GROSS PROFIT	150.22	322.22
Depreciation	171.13	197.20
PROFIT BEFORE TAX	(20.91)	125.02
Provision for Tax	0.00	41.00
NET PROFIT AFTER TAX	(20.91)	84.02
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(20.91)	84.02

DIVIDEND

Your Directors do not recommend any dividend for the current year with a view to conserve the resources and to meet the long-term fund requirements of your Company.

OPERATIONS & FUTURE OUTLOOK

During the year under review, the Company's turnover was reduced to Rs. 761.09 lacs against Rs. 1062.18 lacs in the previous year. Profit before tax for the year was Rs. (20.91) lacs compared to Rs. 125.02 lacs in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis as per clause 49 of the Listing Agreement is enclosed.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance in terms of Clause 49 of the Listing Agreement is annexed.

DIRECTORS

Shri J. C. Sandesara and Shri T. S. Suthar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible offers themselves for re-appointment. The Board recommends their re-appointment.

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DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm :

- i) That in the preparation of the Annual Accounts for the year ended 30th June, 2007, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year under review;
- 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; and
- iv) that the Directors have prepared the Annual Accounts for the year ended 30th June, 2007 on a 'going concern' basis.

FIXED DEPOSITS

The Company has not accepted any deposits from the Public during the year under review.

AUDITORS AND THEIR REPORT

M/s. H. S. Hathi & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and having furnished the required certificate pursuant to section 224(1B) of the Companies Act, 1956 are eligible for reappointment.

The Board recommends their re-appointment. The observations made by the Auditors are self explanatory and have been dealt with in the notes forming part of the Accounts and hence need no further clarification.

PARTICULARS OF EMPLOYEES

No employees of the company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Company's (Particulars of Employees) Rules 1975.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 the required information relating to conservation of energy, technology absorption is not applicable. There was no foreign exchange earnings and outgo during the year under review.

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ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the assistance and continued co-operation extended by Bankers and Local Governments. Your Directors are also pleased to record their appreciation of the valued contribution, devotion and sense of commitment extended by the employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 5th December, 2007

R. J. SANDESARA

Director

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REPORT ON CORPORATE GOVERNANCE**i) Corporate Governance Philosophy**

The Company views sound corporate governance as an integral part of its efforts to enhance shareholders' value. The Company endeavours to safeguard the interests of investors, customers, suppliers and lenders and build the confidence of the society in general. The company believes in adopting the philosophy of professionalism, transparency and accountability in all areas.

ii) Board of Directors (Board)

Presently, the Board, comprises of 5 Directors, all being Non-executive Directors. All the Directors are eminent industrialists and/or professionals with experience in overall management, finance and law, who bring a wide range of skills and experience to the Board.

a. Composition of the Board

Name	Category	No. of other Directorships and Committees Memberships / Chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
R. J. Sandesara	Non-executive	2	-	-
J. C. Sandesara	Non-executive	27	-	-
R. B. Dixit	Independent / Non-executive	7	2	3
T. S. Suthar	Independent / Non-executive	-	-	-
Tirthesh Thakkar	Independent / Non-executive	-	-	-

b. Number of Board Meetings

During the year under report the Board of Directors met 5 times on the following dates : 28/07/2006, 30/10/2006, 27/11/2006, 30/01/2007 & 30/04/2007.

c. Attendance of Directors

Name	Meetings Attended	Attended last AGM on 30-12-2006
R. J. Sandesara	4	Yes
J. C. Sandesara	3	Yes
R. B. Dixit	4	Yes
T. S. Suthar	3	No
Trithesh Thakkar	1	No

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iii) Committee of Directors

The board constituted following committees.

- A. Audit Committee** reviews the company's financial reporting process, disclosure norms, internal control systems, accounting policies and practices, reports of the Company's internal Auditors, quarterly/half yearly financial statements as well as its financial risk policies. It also recommends appointment of statutory auditors, fixes audit fees and reviews internal control systems, scope for observations of the auditors and adequacy of the internal audit function.

During the year under review, the committee met five times on 28-07-2006, 30/10/2006, 27/11/2006 (Adoption of Annual Accounts), 30-01-2007 and 30-04-2007 and the meeting was attended by all the directors of the Audit Committee namely Shri R. J. Sandesara, Shri R. B. Dixit and Shri T. S. Suthar.

- B. Investors/Shareholders Grievance Committee** comprises of Shri R. J. Sandesara, Shri R. B. Dixit and Shri T. S. Suthar. The Committee redresses shareholder and investors complaints like a delay in transfer of shares, non-receipt of dividend, non-receipt of balance sheet etc. During the year the committee met two times.

iv) General Body Meetings

Year	Venue	Date	Time	Any Special Resolution
2006	Sheetal - I Hall, Land Mark, Link Road, Mith Chowkey, Malad (W), Mumbai - 400 064.	30th December, 2006	10.30a.m.	No
2005	Sheetal - I Hall, Land Mark, Link Road, Mith Chowkey, Malad (W), Mumbai - 400 064.	26th December, 2005.	10.30a.m.	No
2004	Sheetal - I Hall, Land Mark, Link Road, Mith Chowkey, Malad (W), Mumbai - 400 064.	31st December, 2004.	10.30a.m.	No

Special Resolution if any passed by Postal Ballot

N.A.

v) Disclosures

- As required under the Companies Act, the Directors disclose the name of the Companies / Parties in which they are interested. During the year under review, there was no transaction with related party, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. which may have potential conflict with the interests of Company at large.
- There was no non-compliance during the last three years by the Company on any matter related to Capital Market.

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vi) Means of Communications

- a. Quarterly/ Half Yearly Financial Results of the Company are forwarded to the Stock Exchanges where the shares of the company are listed and published in National & Regional Newspapers.
- b. The company has not made any presentations to any Institutional Investors / Analyst during the year.
- c. Management Discussion & Analysis Report is covered in Directors' Report to the Shareholders.

viii) General Shareholder Information :**a. Annual General Meeting**

Date : 31st day of December 2007
 Time : 11.30 A.M.
 Venue : Sheetal – I Hall, Land Mark, Link Road, Mith Chowkey, Malad (W),
 Mumbai – 400 064

- b. **Date of Book Closure** : 24th December, 2007 to 31st December, 2007
 (both days inclusive)

- c. **Financial Calendar 2007-2008** : Annual General Meeting December 2008 (next year)

		Board Meeting
Unaudited Results – Qtrly.	September 2007	October 2007
Unaudited Results – Qtrly.	December 2007	January 2008
Unaudited Results – Qtrly.	March 2008	April 2008
Unaudited Results – Qtrly.	June 2007	July 2008
Audited Accounts	June 2008	September/October 2008

d. Stock Exchanges where securities are listed

Listed on Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Association Limited.

Name of Stock Exchange

Bombay Stock Exchange Limited, (BSE)
 The Calcutta Stock Exchange Association Ltd.

Code

512135
 15003

e. Stock Price Data (BSE)

Month	High Rs.	Low Rs.
July 2006	—	—
August 2006	—	—
September 2006	—	—
October 2006	—	—
November 2006	—	—
December 2006	—	—
January 2007	—	—
February 2007	—	—
March 2007	—	—
April 2007	—	—
May 2007	—	—
June 2007	—	—