

TWELFTH ANNUAL REPORT 1998-99



Ruchi
Strips & Alloys Ltd.

RUCHI STRIPS AND ALLOYS LIMITED

Board of Directors

Mr.Kailash Chandra Shahra	-	Chairman
Mr.Santosh Kumar Shahra	-	Vice - Chairman
Mr.Umesh Shahra	-	Managing Director
Mr.P.S.Santhanakrishnan	-	Director
Mr.Ashok Khasgiwala	-	Director
Mr.Veer Kumar Jain	-	Director
Mr.Ram Ratan Agrawal	-	Director

Auditors

Arun Maheshwari & Company
8/9, Mahesh Nagar, Indore

Registered Office

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

Registrar & Share Transfer Agent

Avanti Finance 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 Saurashtra,
State Bank of Indore,
Dena Bank

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

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Annual General Meeting will be held on 23rd
September, 1999 at 12.30 p.m. at Sunville Deluxe
Pavilion, Sunville Building, 9, Dr.Annie Beasant Road,
Worli, Mumbai -400 018

RUCHI STRIPS AND ALLOYS LIMITED

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of Ruchi Strips & Alloys Ltd. will be held at Sunville Deluxe Pavilion, Sunville Building, 9 Dr. Annie Beasant Road, Worli, Mumbai-400 018 on 23rd September, 1999 at 12.30 P.M. to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon;
2. To appoint a Director in place of Shri Kailash Chandra Shahra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P.S.Santhanakrishnan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956 and other acts, if any, including any amendment thereto and subject to the consents, permissions, sanctions and approvals, if any as may be necessary, from the Members, Stock Exchange Authorities and subject to conditions as were prescribed/made applicable in granting such Listing approvals, the consent of the company is hereby given to apply for delisting of Equity Shares of the Company from the Stock Exchange at Indore and Delhi and that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things including execution of any documents for this purpose and attend to all statutory compliances to get the Equity Shares delisted from the above Stock Exchanges".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provision of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII and subject to all such approvals as may be required, approval of the members be and is hereby accorded to the re-appointment of Shri Umesh Shahra, as the Managing Director of the Company w.e.f. 1st October, 1999 on the remuneration set out as under for a period of five years"

1. **SALARY**

Salary of Rupees 50,000/- (Rupees Fifty Thousand only) per month.

2. **PERQUISITES**

In addition to the salary Shri Umesh Shahra shall be entitled to the following perquisites

ANNUAL REPORT 1998-99**CATEGORY 'A'****1. Housing**

Rent free furnished residential accommodation, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962 or in case he is occupying premises of his own, then payment to him of a sum which shall be calculated as fair and reasonable rental of such premises or if he is occupying rental premises then reimbursement of actual rent, taxes, repairs, maintenance etc. paid by him in respect of the said premises. The above is subject to the followings.

- i. The expenditure incurred by the company on hiring accommodation for him will be subject to the ceiling of 35% of salary over and above 10% payable by him.
- ii. Where accommodation in the Company's owned house is provided, he shall pay to the company by way of rent 10% of his salary.
- iii. Wherever the company does not provide accommodation, House Rent Allowance shall be paid @ 25% of salary as given in para 1 above.

2. Medical reimbursement

Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed once month's salary in a year or three month's salary in a block in three years.

3. Leave Travel Concession

For self, wife and dependent children to and from any place in India.

4. Club Fees

Subject to a maximum of Two clubs provided that no life membership or admission fee is paid.

5. Personal Accident Insurance

Of an amount, the annual premium of which does not exceed Rs.1000/-

CATEGORY 'B'**1. Provident Funds**

- a. Company's contribution towards Provident Fund subject to a ceiling of 10% of the salary
- b. Company's contribution towards Pension/Supernuation Fund: Such contribution together with the contribution towards the Provident Fund shall not exceed 25% of the salary as laid down in the Income Tax Rules 1962.

2. Gratuity

Payable in accordance with an approved fund and which does not exceed one-half month's salary for each completed year or service, subject to the ceiling of Rs.1,00,000/-

RUCHI STRIPS AND ALLOYS LIMITED

3. Earned/Privilege Leave

On full pay and allowance, as per policy of the Company but not exceeding, one month's leave for every eleven months service, subject to the further condition that leave accumulated, but not availed of will not be allowed to be encashed.

CATEGORY 'C'

1. Car

The monetary value of the perquisite will be evaluated as per rule 3 of the Income-Tax Rules 1962, but not more than one car will be allowed to the Managing Director for official use only.

2. Telephone

In respect of the residential telephone, all long distance personal calls shall be duly lodged and paid for by the person concerned. However, not more than one telephone will be provided at the residence of the managerial personnel.

3. The Managing Director so long as he functions as such, shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his appointment.

"RESOLVED FURTHER that Shri Umesh Shahra be and is hereby authorised to exercise all the powers as specified in sub-clauses, 1,2 and 3 of the clause 176 of the Articles of Association of the Company, subject always to the superintendence, control and direction of the Board of Directors of the Company, he may further be given such powers as may be delegated to him from time to time by the Board of Directors of the Company"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the appointment and/or the agreement in such manner as may from time to time be stipulated by the Central Government or to be in consonance with any revised terms and conditions and may be prescribed by the Central Government in the aforesaid schedule XIII or any modification thereto, as may be agreed to by and between the Board and Shri Umesh Shahra".

"AND RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to do all the needful acts, deed matters and things to give effect to this resolution"

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By order of the Board of Directors

Regd. Office:

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

Place : Indore

Dated : July 31, 1999

UMESH SHAHRA
Managing Director

ANNUAL REPORT 1998-99**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during 2.00 p.m to 5.00 p.m on all working days upto the date of Annual General Meeting.
3. Members who are holding shares in identical orders of name in more than one Folios may request the Company's Registrar & Share Transfer Agent to consolidate their holdings in one Folio.
4. Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 1999, to 23rd September, 1999 (both days inclusive).
5. Members are requested to bring their copies of Annual Report alongwith them at the Annual General Meeting.
6. Members desiring any information relating to this Annual Report are requested to write to the Company atleast 10 days before the date of Annual General Meeting to enable the Management to keep the information available at the Meeting.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.5**

The Equity Shares of the company are at present listed with the Stock Exchange at Mumbai, Delhi and Indore. The Equity Shares of the Company on Indore and Delhi Stock Exchanges are not traded in a material way and is negligible in quantum. The Board of Directors of the Company therefore propose that the Equity Shares of the Company should be delisted from Delhi and Indore Stock Exchanges.

The listing of the shares will however continue with Mumbai Stock Exchange which is the regional Stock Exchange. The spread of the BOLT terminals of the Mumbai Stock Exchange in the country will provide easy access to the members and investors for sale and purchase of the Equity Shares of the Company. It is considered necessary to obtain the approval of the members of the Company and accordingly resolution at item No.5 is set out in the notice for your approval.

The Board of Directors recommended the approval by the members of the special resolution at item No.5 of the accompanying notice.

None of the Directors of the company are interested in the said resolution.

Item No.6

The terms of appointed of Shri Umesh Shahra as Managing Director is going to expire on 30th September, 1999. The Board of Directors of the Company in their meeting held on 31st July, 1999 has reappointed Shri Umesh Shahra as the Managing Director for further period of five years commencing from 1st October, 1999 on the proposed terms and conditions.

Your Directors recommended the resolution for approval.

Shri Umesh Shahra is interested in the resolution and Shri Kailash Chandra Shahra and Shri Santosh Shahra, being relative of Shri Umesh Shahra, may be deemed to be concerned or interested in the resolution.

Regd. Office:
611, Tulsiani Chambers,
Nariman Point,
MUMBAI - 400 021

Place : Indore
Dated : July 31, 1999

By order of the Board of Directors

UMESH SHAHRA
Managing Director

RUCHI STRIPS AND ALLOYS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Twelfth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

1. FINANCIAL RESULTS	[Rs.in Lacs]	
	31.03.99	31.03.98
Sales & Other Income	15272.03	14,185.83
Gross Profit	744.79	630.46
Depreciation and Interest	738.78	624.90
Profit Before Tax	6.01	5.58
Provision for Tax	0.63	0.59
Profit After Tax	5.38	4.99

Due to the inadequate profit during the year, your Directors express their inability to recommend any dividend for the year under review.

2. OPERATIONS

During the year under review, the sales and other income has increased from Rs.14185.83 lacs to Rs.15272.03 Lacs registering an increase of around 7.66% over the previous year.

3. PROSPECTS

The Company's performance during the year is quite satisfactory in terms of sales & other income by registering an increase of about 7.66%. The company's upgraded value added product is being well accepted in the domestic as well as international market. The company's Export turnover during the year was Rs.489.52 lacs. Production for the year was 40494.963 MT. Notwithstanding the overall improvement in production and sales, the profit margin has been reduced due to competition arising out of large imports at reduced rates of import duty as part of govt. policy of liberalisation and introduction of minimum floor price on HR Coils the raw Materials of company. The company could maintain its performance due to the modernisation cum balancing plan undertaken by the company for improvement of quality, value addition, increase in production. The capacity of production had increased to 55000 MT during the year 1998-99.

4. PUBLIC DEPOSITS

The Company has not accepted or invited any deposits from public during the year under review.

5. INSURANCE

All the properties and insurable interest of the Company including building, plant and machinery and stocks have been adequately insured.

6. DIRECTORS

Shri Kailash Chandra Shahra and Shri P.S.Santhanakrishnan retires 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.