

**THIRTEENTH
ANNUAL
REPORT
1999-2000**

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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.K.R. Rajora	-	Director (Nominee IFCI Ltd.)

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 Saturday 30th
September, 2000 at 12.30 p.m. at Sunville Deluxe
Pavilion, Sunville Building, 9, Dr.Annie Beasant Road,
Worli, Mumbai - 400 018

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NOTICE

Notice is hereby given that the Thirteenth 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 Saturday the 30th September, 2000 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, 2000 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 Ashok Khasgiwal, who retires by rotation and being eligible, offers himself for re appointment ;
3. To appoint a Director in place of Shri Veer Kumar Jain 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 pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows :

1. Inset the following new Article as Article 85A after the existing Article 85.

85A. DEMATERIALISATION OF SECURITIES

Definitions

For the purpose of this article :

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India established under section 3 of the securities and Exchange Board of India Act, 1992;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

'Member' would also mean a Beneficial Owner in the records of the Depository.

Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and or rematerialise its securities held in the Depositories and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996

Option for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the

RUCHI STRIPS AND ALLOYS LIMITED

securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities

If a person opts to hold his security with a depository, the Company shall intimate such depository, the details of allotment of the security, and on receipt of information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

- [a] Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- [b] Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- [c] Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or any such other means.

Transfer of Securities

Nothing Contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. The Company shall not be required to maintain the Register of Transfer for entering particulars of transfer of securities in dematerialised form.

Allotment of Securities dealt with in a depository

Nothing contained in of the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of Securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles. "

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Investment of the Company.

Notwithstanding anything in the Act or these Articles, the company can hold its investments in the name of a depository when such investments are in the form of securities held by the Company as a Beneficial Owner.

II The following new Articles be inserted as Articles 77A and 77B after the existing Articles 77.

77A. NOMINATION

- (a) Notwithstanding anything contained in Articles 76 and 77, every shareholder or debenture holder of the company, may at any time, nominate a person in whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (b) Where the shares or debentures of the company are held by more than one person jointly, joint holders may together nominate a person in whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall on the death of shareholder or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures, as the case may be to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the company in the manner prescribed under the Act, in the event of his death, during the minority.

77B. OPTION OF NOMINEE

- [a] A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :
 - i. To register himself as holder of the share or debenture, as the case may be; or
 - ii. To make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.
- [b] If the nominee elects to be registered as holder of the shares or debentures, he shall deliver or send to the company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- [c] A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with in any day, the Board may thereafter withhold payment of full dividend, bonus or other moneys payable in respect of the shares or debentures, until requirements of the notice have been complied with.

PUGH STRIPS AND ALLOYS LIMITED**III. The Article 209 be amended to read as follows :-****209. TRANSFER OF UNPAID/UNCLAIMED DIVIDEND**

- [a] Where the dividend has been declared but not paid or the warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment thereof, the company shall within 7 days from the date of expiry of the said period of 42 days transfer the total amount of dividend which remain unpaid or in relation to which no dividend has been posted within the said period of 42 days to a special account to be opened by the company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account", of the company.
- [b] Any money transferred to Unpaid Dividend account of the company in pursuance of section 205A of the Act, which remain unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the fund established under Sub-section (1) of section 205C.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.

Regd. Office :-

By order of the Board of Directors

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

Place : Indore
Dated : July 29, 2000

UMESH SHAHRA
Managing Director

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 15th September, 2000 to 30th September, 2000 (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.

Regd. Office:

By order of the Board of Directors

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

Place : Indore
Dated : July 29, 2000

UMESH SHAHRA
Managing Director

ANNUAL REPORT 1999-2000**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.5**

With the enactment of the Depositories Act, 1996, and Introduction of the Depository System, some of the provisions of the Companies Act, 1956 relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate implementation of the new system. The Depository System of holding Shares and Securities in an electronic form is a faster, safer and more convenient method for holding and trading in the shares and securities of a Company.

The Securities and Exchange Board of India (SEBI) vide their Circular No. SMDRP/POLICY/CIR-23 dated 29.05.2000 had made it compulsory to Demat Shares of Ruchi Strips & Alloys Limited latest by 26th February, 2001.

For compliances of the above circular the company had to take effective steps to Demat its shares and it is necessary to change the Article of Association of the Company.

The provisions in regards to nomination by the shareholders/debentureholders of the company, transfer of unpaid/unclaimed dividend have been inserted/amended vide Companies (Amendment) Act, 1999. Hence, related Articles require alteration to bring the Articles of Association of the company in tune with the amended provisions of the Companies Act, 1956.

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.

Regd. Office:

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

Place : Indore
Dated : July 29, 2000

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 Thirteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

	<u>31.03.2000</u>	[Rs.in Lacs] <u>31.03.1999</u>
1. FINANCIAL RESULTS		
Sales & Other Income	15,557.56	15,272.03
Gross Profit	875.90	744.79
Depreciation and Interest	817.79	738.78
Profit Before Tax	58.11	6.01
Provision for Tax	6.10	0.63
Profit After Tax	52.01	5.38

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.15272.03 lacs to Rs.15557.56. The production of finished goods had increased from 40494.963 MT in the year 1998-99 to 54559.554 MT during the year 1999-2000. This production is highest ever production achieved by the Company.

3. PROSPECTS

The Company's performance during the year is quite satisfactory in terms of sales & other income. 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.1548.58 lacs as compared to Rs.489.52 lacs during the previous year registering an increase of around 216%. Production of finished goods during the current year was 54559.554 MT as compared to 40494.963 MT during the previous year. Inspite of the overall improvement in production and sales, the profit margin were under pressure due to the steep competition arising out of large imports at reduced rates of import duty as part of govt. policy of liberalisation. The company could maintained its performance due to the modernisation cum balancing plan undertaken by the company for improvement of quality, value addition, increase in production.

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 Ashok Khasgiwala and Shri Veer Kumar Jain 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.