



JAS-ANZ



ISO 9002

Annual Report

2003-2004

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.Sudama Ram	- Director (Nominee IFCI Ltd)

Company Secretary

I.L.Kalantri

Auditors

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

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 Saurashtra
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 General Meeting

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Annual General Meeting will be held on Monday
27th September, 2004 at 1.00 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 Seventeenth 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 27th September, 2004 at 1.00 P.M. to transact the following Business ;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 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 Santosh Kumar Shahra, 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.

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Regd. Office:

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

Place : Indore
Dated : July 31, 2004

By order of the Board of Directors

UMESH SHAHRA
Managing Director

Ruchi Strips And Alloys Limited

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 20th September, 2004 to 27th September, 2004 (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 31, 2004

UMESH SHAHRA
Managing Director

Ruchi Strips And Alloys Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

Your Company is engaged in the business of manufacturing the cold rolled steel coils and sheets matching the International Standards, in the wide range of low carbon, mild steel CR products, in thickness ranging from 0.11 mm to 2.00 mm & upto a maximum width of 1000 mm, both in Coil & Sheet form. Your company is also one of the few Indian manufacturers of ultra thin 0.11, 0.14 mm CR Coil extensively used for galvanising. The company is also manufacturing CR Coils & Sheets are known for their close gauge tolerances, superior finish & perfect flatness, free of stretcher strains. They are offered in Bright and Matt finish, in annealed or full hard temper. Major grades manufactured are O, D, DD & EDD of non-aging, critical & super EDD CRCA, Automobile structural grades, TMBP, Galvanizing grade, Porcelain Enameling, Corrosion Resistance grade.

Industry Outlook :

The outlook of the industry is positive looking to the change in economic scenario. The perception about the performance of steel industries has improved and better performance is expected in the years to come. With the increase in demand of company's product and focus on core business activities, we feel that the over all performance will be satisfactory.

Risk and concerns :

Profitability may be affected on account of competition from existing and prospective manufacturers of the Company's products. The Company is exposed to risks from market fluctuation of foreign exchange. Change in duty structure may affect adversely. Non removal of Non - Tariff Barriers and Floor prices for the import of Hot Rolled Coils may affect the Company's performance adversely.

Internal Control Systems and Adequacy :

The Company has good internal control systems, which is being recognised and company have been awarded ISO 9002, 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 which assures us of :

- Proper recording and safeguarding of assets .
- Maintaining proper accounting records and reliability of financial information.

Developments in Human Resources and Industrial Relations :

The Industrial relations climate of the company continues to remain harmonious and cordial with focus on improving productivity, quality and safety .The number of people employed during the year was 291.

Financial and Operating performance :

Summarised Profit and Loss Account for the year ended 31st March, 2004 is as under :-

		[Rs.in Lacs]
FINANCIAL RESULTS	31.03.2004	31.03.2003
Sales & Other Income	24525.30	20669.29
Gross Profit	649.65	528.41
Depreciation and Interest	532.84	508.52

Ruchi Strips And Alloys Limited

Profit Before Tax(Loss)	116.81	19.89
Provision for Tax	9.59	1.57
Deffered Tax Liabilities	32.02	17.93
Profit After Tax(Loss)	75.20	0.39

During the year under review, the sales and other income was Rs 24525.30 lacs as compared to the previous year figures of Rs. 20669.29 lacs resulting in increase of around 18.65%. The production of finished goods was 65011.782 MT during the year 2003-2004 as compared to 57465.549 MT during the previous year.

The Company's performance during the year 2003-2004 was satisfactory as compared to the previous year. The demand of the CR products in general and company's products particularly have picked up and the prices have also increase. The overall demand of CR products in the international market have increased.

The company is also concentrating on the export front and trying to maximise its exports. During the year 2003-2004 the company had exported 16585.435 MT of CR Coils as against previous year export of 21260.500 MT. During the current year 2004-2005 company is trying to increase the level of exports. The company's overall Export turnover during the year was Rs. 3999.66 lacs. The profit margin were under pressure due to the steep competition arising out due to the excess capacity in the industry and Government policies.

Segment -wise Performance:

The segment-wise performance is available in Schedule Q accounting policies and notes on accounts to the Audited Accounts of the Company.

Cautionary Statement:

Statements in this " Management Discussion and 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 a 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 conducts business and other incidental factors.

Ruchi Strips And Alloys Limited

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 the expectations of various elements of corporate environment. We believe the 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 the 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 the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

MANDATORY REQUIREMENTS

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 lead 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.

BOARD OF DIRECTORS:

Composition

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 one (1) executive directors, two (2) non-executive directors and four (4) independent directors.

Name of Director	Executive/Non-Executive/Independent*	No. of other Directorship#	Membership of other Board Committees
Kailash Chandra Shahra	Non-Executive	4	3
Santosh Kumar Shahra	Non-executive	7	-
Umesh Shahra	Executive	6	-
P.S.Santhanakrishnan	Independent	6	4
Ashok Khasgiwala	Independent	-	-
Veer Kumar Jain	Independent	-	-
Sudama Ram	Independent	4	1

* An independent Director is a director who apart from receiving directors sitting, does not have any materials pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries, which in the judgement of the Board may affect their independence of judgement.

Ruchi Strips And Alloys Limited

- # This includes directorship held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorship held in Private Limited Companies and Overseas Companies.

Board Procedures

The Board of the Company met four times during the last financial year, on the following dates;

29.05.2003 ; 26.07.2003 ; 30.10.2003 ; 23.01.2004

The Company placed before the Board the annual operating plans, budgets, performance of various units/divisions and various other information, including those specified under Annexure - I of the Listing Agreement, from time to time.

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

Name of Director	Attendance	
	Board Meeting	AGM
Kailash Chandra Shahra	3	-
Santosh Kumar Shahra	2	-
Umesh Shahra	4	✓
P.S.Santhanakrishnan	2	-
Ashok Khasgiwala	4	✓
Veer Kumar Jain	-	-
Sudama Ram	4	✓

Remuneration to Directors

(a) Remuneration of Managing Director

The terms of remuneration of Shri.Umesh Shahra, Managing Director is already been fixed by the board of directors and approved by the shareholders. During the financial year 2003-2004, the particulars of remuneration paid to Shri Umesh Shahra, Managing Director is as under: -

Particulars of remuneration :

1. Salary:	Rs. 7,20,000/-
2. Allowances	Rs. 1,80,000/-
3. Contribution to Provident & other Fund	Rs. 80,400/-

(b) Remuneration of non-executive/independent directors :

During the financial year 2003-2004, sitting fees paid to non-executive/independent directors amounted to Rs.11,000 / -

As approved by the Board of Directors in accordance with the Articles of Association of the Company, the non-executive directors/independent directors are paid a sitting fee of Rs.500/- for every meeting of the board or committee attended by them. No commission was paid or payable to the non-executive/independent directors during the financial year 2003-2004.

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Audit Committee

The Audit Committee was set up by the Board of Directors in 2001. During the financial year 2003-04, Four (4) meetings were held. The dates on which the said meetings were held are as follows :

29th May, 2003; 26th July, 2003; 30th October, 2003; 23rd January, 2004 ;

The constitution of the Committee and the attendance of each member of the Committees is given below:

Name	Designation	Non-executive/ Independent	Profession	Committee Meetings Attended
Ashok Khasgiwala	Chairman	Independent Director	Chartered Accountant	4
P.S.Santhanakrishnan	Member	Independent Director	Retd. Bank Professional	2
Veer Kumar Jain	Member	Independent Director	Advocate	-
Sudama Ram	Member	Independent Director	IFCI Nominee	4

The Committee performs the functions enumerated in clause 49 of the listing Agreement and section 292A of the Companies Act, 1956 covering :-

- To hold periodic discussions with the 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;
- To review and compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board ;
- 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 ;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- Overseeing the companies financial reporting process with a view to ensure transparency, accuracy, timely and quality disclosure of financial reporting.

Shareholders/Investors Grievance Committee

The Board has constituted an 'Investors Grievance Committee' which looks into shareholders and investors grievances. The following are the members of the Committee:

Name	Designation	Executive/Non-executive/ Independent
Shri Kailash Chandra Shahra	Chairman	Non-Executive
Shri Umesh Shahra	Member	Executive
Shri P.S.Santhanakrishnan	Member	Independent

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The Committee specifically looks in to the shareholders and investors complaints on the matters relating to transfer of shares, non receipts of annual reports, non receipts of dividend, demat of shares etc. In addition, the committee also looks into matter which can facilitate better investors services and relations.

During the period under review the committee had reviewed the status of investors services rendered by the company. Mr.I.L. Kalantri is compliance officer. The committee discussed the various reports placed before the committee regarding the investors complaints and queries regarding transfer, change of address, annual reports, demat etc.

During the financial year the company had received 7 complaints of non receipt of Annual Report, 4 complaints for non receipt of share certificate, 16 complaints for non receipt of dividend Warrant, 15 complaint of non receipt of Credit with DP and 1 other complaints. All the complaints have been solved to the satisfaction of the shareholders and no complaint is pending as on 31st March, 2004.

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
2003-04	EGM	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Beasant Road, Worli, Mumbai	03.03.2004	11.00 A.M.
2002-03	AGM	Regd.office, Village-Sejwaya, District, Dhar (M.P)	26.07.2003	11.30 A.M.
2001-02	AGM	Regd.office, Village-Sejwaya, District, Dhar (M.P)	18.09.2002	3.00 P.M.
2000-01	AGM	Regd.office, Village-Sejwaya, District, Dhar (M.P)	28.09.2001	4.00 P.M.

For the year ended March 31, 2004, there has been no ordinary or special resolution passed that required assent by the Company's shareholders through the means of postal ballot as provided under the provisions mentioned under Section 192A of the Companies (Amendment) Act, 2000.

Disclosures

- a. Transactions with promoters, directors, their relatives, management or their subsidiaries, etc.

The Company has not entered in to any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, 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 the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during last three years. No penalties, strictures have been imposed on the Company by any Stock Exchange or SEBI or any other authorities relating to capital markets.