

MEENAKSHI STEEL INDUSTRIES LIMITEDRegd. Office : K-27, Jiya Sarai, 1st Flor, Near IIT Gate, New Delhi – 110 016**DIRECTORS' REPORT TO THE SHARE HOLDERS**

Dear Shareholders,

Yours Directors have pleasure in presenting to you the 22nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

Particulars	2006-07 Rs.	2005-06 Rs.
Income	53,90,788	52,82,544
Expenditure	3,14,668	1,51,758
Profit before Tax	50,76,120	51,30,786
Add / (Less) : Provision for Taxes		
Current Tax	(3,90,000)	(3,50,000)
Deferred Tax	NIL	NIL
Profit after Tax	42,32,779	47,80,786
Less : Transfer to Special Reserve u/s 45 IC of Reserve Bank of India Act, 1934	8,46,600	9,56,200
	33,86,179	38,24,586
Add : Balance b/f from earlier year	2,13,81,711	1,75,57,125
Balance carried to Balance Sheet	2,47,67,890	2,13,81,711

DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the year under review.

DIRECTORS

Shri Raj Gopal Dhoot retire by rotation from the Board and being eligible offer himself for reappointment.

DIRECTOR RESPONSIBILITY STATEMENT

Your Directors confirm that :

- i in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- ii. the Directors have 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 financial year ended on 31st March, 2007 and of the profit of the Company for that year;
- iii. 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;
- iv. the Directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

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

EMPLOYEES

The Company had no employees of the category specified in Section 217(2A) of the Companies Act, 1956.

AUDITORS

M/s Vijay R Tater & Co., Chartered Accountants, the Statutory Auditors of the Company retire and being eligible offer themselves for re- appointment.

AUDITORS REPORT

The observations made by the Auditor are self explanatory and therefore, do not call for any further comments on the Auditors Report under Section 217 of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificates) Rules, 2001 framed thereunder, your Company has obtained a Compliance Certificate from Girish Murarka and Company, Company Secretaries, Mumbai for the financial year ended 31st March, 2007 confirming that the Company has complied with all the provisions of the Companies Act, 1956. A copy of such certificate is attached with this Report and forms an integral part. The observations made in the Compliance Certificate are self explanatory and therefore do not call for any comments.

REPORT ABOUT CONSERVATION OF ENERGY

Since the Company is not having any manufacturing activity, Directors have nothing to report on conservation of energy, research and development and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned during the year under review - Rs. Nil

Foreign Exchange spent during the year under review - Rs. Nil

APPRECIATION

Your Directors place on record their deep appreciation of the assistance and contribution received from their bankers, shareholders, etc.

For and on behalf of Board of Directors

Rajshoor

Director

[Signature]

Director

Place : Mumbai

Date : 03/09/07

Vijay R. Tater & Co.
CHARTERED ACCOUNTANTS
105, Chartered House,
293/297, Dr. C H Street,
Marine Lines,
Mumbai - 400 002
Phone: 2201 9601/ 2206 1214.
Fax: 2206 8487.
E-mail: vrtater@indiatimes.com

AUDITORS' REPORT

To
**THE BOARD OF DIRECTORS
MEENAKSHI STEEL INDUSTRIES LIMITED**

We have audited the Balance Sheet of **MEENAKSHI STEEL INDUSTRIES LIMITED** as at 31st March, 2007 and also the Profit and Loss Account for the year ended on that date. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India in terms of Section 45MA(1A) of the Reserve Bank of India Act, 1934 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of Audit, we report to the extent applicable to the Company that :

1. Pursuant to an application made by the Company, it has been registered as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934, vide certificate of registration dated 31st March, 1998 bearing number B – 14 - 00645.
2. The Board of Directors has in its meeting held on 29th April, 2006 passed a resolution for the non-acceptance of any public deposits.
3. The Company has not accepted any public deposits during the year.
4. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For **VIJAY R. TATER & CO.**
Chartered Accountants



(Suresh G. Kothari)
Partner
M.No.47625

Place : Mumbai

Date : 03-09-2007

Vijay R. Tater & Co.

CHARTERED ACCOUNTANTS

105, Chartered House,
293/297, Dr. Cawasji Hormasji Street,
Marine Lines, **Mumbai - 400 002.**
Phone: 2201 9601/ 2206 1214.
Fax: 2206 8487.
E-mail: vrtater@rediffmail.com

AUDITORS' REPORT

To,
The Members of,
MEENAKSHI STEEL INDUSTRIES LIMITED,

- 1) We have audited the attached Balance Sheet of **MEENAKSHI STEEL INDUSTRIES LIMITED** as at 31st March, 2007 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks, as we considered appropriate we set out in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- 4) Further to our comments in Annexure referred to in paragraph 3 above we report that: -
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared, in all material respects in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.



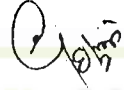
VIJAY R. TATER & CO.
Chartered Accountants

- e) On the basis of the written representations received from the Directors as on 31st March, 2007, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon the information required by the Companies Act, 1956, in the manner so required and also give subject to note no.1 of Notes on Accounts regarding non-provision of stamp duty on purchase of freehold land, a true and fair view in conformity with the accounting principles generally accepted in India: -
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
- and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **VIJAY R. TATER & CO.**
Chartered Accountants

Place: Mumbai

Date: 03-09-2007


(Suresh G. Kothari)
Partner.
Membership No. 47625

VIJAY R. TATER & CO.
Chartered Accountants

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date to the members of **Meenakshi Steel Industries Limited** for the year ended 31.03.2007)

1. The Company does not have any fixed assets, therefore the question of maintenance of records, any material discrepancies on physical verification and disposal of the fixed asset, does not arise.
2. According to information and explanations given to us, during the year, the company does not have any trading activity and hence does not have any inventory. Therefore the question of physical verification, adequacy of procedures of physical verification and maintenance of proper records of inventories does not arise.
3. According to the information and explanations given us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) (b) to (g) of the Order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of shares & securities and other assets, and for the sale of shares & securities and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. According to the information and explanations given to us, during the year no contracts or arrangements referred to in section 301 of the Act, have been entered by the company. Accordingly, the Clause 4(v) (b) of the order is also not applicable.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the year, within the meaning of Section 58-A and 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under.
7. The Company does not have an internal audit system.
8. According to the information and explanations given to us, the maintenance of Cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-Tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty, Cess, service tax or any other statutory dues, wherever applicable, with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they became payable as at the close of the year.

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