

**22<sup>nd</sup>**  
**Annual Report**  
**1998-99**

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***SIRHIND STEEL LIMITED***

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# SIRHIND STEEL LIMITED

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**Board of Directors**

R. L. Malhotra

Chairman

Ravi Malhotra

Managing Director

M. L. Sharma

Executive Director

Amal Dhru

Rajika Malhotra

**Auditors**

M/s. Manubhai G. Patel &amp; Co.

**Bankers**

State Bank of India

UTI Bank Ltd.

**Regd. Office**

7th Floor, Shalin,

Ashram Road,

Ahmedabad - 380 009.

**Works**

Malhotra Road,

Odhav,

Ahmedabad - 382 410.

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## NOTICE

Notice is hereby given that the Twenty second Annual General Meeting of the Members of SIRHIND STEEL LIMITED will be held on the Monday, 20th September, 1999 at 10.00 A.M. at the Registered Office of the Company, 7th Floor, Shalin, Ashram Road, Ahmedabad 380 009 to transact the following business :-

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Report thereon.
- 2 To declare dividend.
- 3 To appoint a Director in place of Shri Ravi Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Shri Amal Dutt, who retires by rotation and being eligible, offers himself for re-appointment.
- 5 To appoint Auditors' and to fix their remuneration.

### SPECIAL BUSINESS :

- 6 To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.  
 "RESOLVED THAT subject to the Provisions of Section 198, 269, 309 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof, consent of the company be and is hereby accorded for re-appointment of Shri M L Sharma as Executive Director of the Company for a further period of 5 years with effect from 1st August, 1999 on following terms and conditions.
  1. **Salary** : Rs.20000/- (Rupees Twenty Thousand only) per month with suitable increments at the discretion of the Board.
  2. **Perquisites and Allowances** :
    - i) In addition to the salary payable, the Executive Director shall also be entitled to perquisites and allowances like, reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs for house occupied, club fees, medical reimbursement and leave travel concession for self and family, medical/ accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri M L Sharma. Such perquisites and allowances will however be subject to a maximum of 50% of his annual salary.
    - ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.  
 Provision for use of the Company's car for official duties and personal use of telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
    - iii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
  - 3 The Company shall pay to or reimburse the Executive Director all costs, charges, and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.
  - 4 The terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Executive Director, the Company has no profit or its profits are inadequate, the Company will pay him remuneration by way of salary, perquisites and allowances as specified hereinabove subject to the ceiling laid down in Section II of part II of Schedule XIII of the Companies Act, 1956, or any statutory modification, substitutions or re-enactments thereof, as may be agreed to by the Board of Directors and Shri M L Sharma, Executive Director.

- 7 To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.  
 "RESOLVED THAT pursuant to the provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for re-appointment of M/s Amal Dutt & Associates,

## SIRHIND STEEL LIMITED

Chartered Accountant, Ahmedabad, a firm in which Shri Amal Dhru, a Director of the Company is interested as Sole Proprietor to continue as Internal Auditors, Consultants and Advisors on Taxation, Finance, Company Law and such other matter subject to following terms and conditions :

- (a) that the said firm will continue to attend such matters as may be assigned to it by the company from time to time.
- (b) that the Company shall pay to the said firm such remuneration subject to an overall limit of Rs.50,000 per annum for the service in respect of any financial year commencing from 1st April, 1999 i.e 1999-2000 and onwards, and
- (c) this appointment shall be for a period of 5 years and subject to termination by either side by giving one month notice in writing to the other.

RESOLVED FURTHER THAT Shri Ravi Malhotra, Managing Director be and is hereby authorised to accept on behalf of the Company any modification or variation in the terms and conditions of the appointment resolved herein above".

By order of the Board  
For, SIRHIND STEEL LIMITED

Ravi Malhotra  
Managing Director

Place : Ahmedabad

Date : May 31, 1999

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to provision of Section 173(2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
3. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
4. Members intending to require information with regard to Accounts are requested to write to the Company at least ten days in advance of the Meeting date to enable the management to keep the information ready.
5. Register of Members and Share Transfer Books will remain closed from 14/9/99 to 20/9/99 (Both days Inclusive) for the purpose of determining the entitlement of Dividend.

### EXPLANATORY STATEMENT PURSUANT TO PROVISION OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

#### ITEM NO.6

Shri M L Sharma is the Executive Director of the Company and his last appointment for a period of 5 years will expire on 31/07/99. Considering his contribution in the growth of the Company, the Board of Directors in their meeting held on 31/05/99 have re-appointed Shri M L Sharma for a further period of 5 years w.e.f. 01/08/99 on the terms and conditions as set out in the Resolution in Item No.6 of this Notice.

A copy of resolution passed by the Board of Directors indicating the terms of re-appointment of Shri M L Sharma is open for inspection at the Registered office of the Company on any working day between 10:00 AM to 5:00 PM.

The Directors recommend the special resolution for your approval.

None of the Directors of the Company except Shri M L Sharma is concerned or interested in passing of the above Resolution.

#### ITEM NO.7

In terms of Provision of Manufacturing and other Companies (Auditor's Report) Order, 1988 M/s Amal Dutt & Associates, Chartered Accountants, Ahmedabad were appointed Internal Auditor of the Company, whose term of office has expired on 31st March 1999. The Board of Directors in their meeting held on 31/05/99 has re-appointed M/s Amal Dutt & Associates as Internal Auditor subject to consent of Members in General Meeting w.e.f. 01/04/99 for a period of 5 Financial years.

Shri Amal Dhru, a Director of the Company being sole proprietor, of M/s Amal Dutt & Associates is interested in this appointment and in view of Provisions of Section 314 of the Companies Act, 1956 it is necessary to obtain consent of the members by way of Special Resolution in General Meeting.

The Directors recommend the special resolution for your approval.

None of the Directors of the Company except Shri Amal Dhru is concerned or interested in passing the above Resolution.



## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting to you the Twenty Second Annual Report together with Audited Accounts for the Year ended 31st March, 1999.

	Year ended 31st March, 1999	(Rs. In Lacs) Year ended 31st March 1998
<b>FINANCIAL RESULTS :</b>		
Profit before Depreciation & Interest	194.15	262.46
Depreciation	21.12	24.72
Profit before Tax	173.03	237.74
Provision for Tax	57.85	80.40
Profit after Tax	115.18	157.34
Prior year Adjustments	3.20	2.22
Balance of Profit	118.38	159.56
Balance brought forward	1.91	0.52
Balance available for appropriation	120.29	160.08
<b>APPROPRIATIONS :</b>		
Proposed dividend	60.06	80.15
Tax on Proposed Dividend	6.60	8.02
Transfer to General Reserve	50.00	70.00
	116.66	158.17
Balance carried to Balance Sheet	3.63	1.91
	120.29	160.08

## DIVIDEND :

The Directors recommend dividend of 15% for the year ended 31st March, 1999 absorbing Rs.60.06 Lacs.

## REVIEW OF OPERATIONS :

The depressed economic conditions in general and construction sector in particular continued during the year. The poor offtake has resulted in lower tonnage of production and sales which adversely affected profitability. The Company also faces the brunt of excess capacity in the region.

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## **SIRHIND STEEL LIMITED**

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed and forms part of this Report.

### **PARTICULARS OF EMPLOYEES :**

Particulars of Employees as required by Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed and forms part of this Report.

### **DIRECTORS :**

Shri M M Singhi, Director resigned as Director due to his pre-occupation. The Board wish to place on record their sense of appreciation for the valuable services rendered by Shri M M Singhi during his tenure as Director.

Shri Ravi Malhotra and Shri Amal Dutt, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### **DEPOSITS :**

The Company has not accepted any deposits from the Public.

### **YEAR 2000 COMPLIANCE (Y2K) :**

The Company has taken necessary steps to ensure Y2K compliance.

### **AUDITORS :**

Ms Manubhai G Patel & Co. Chartered Accountants, retire as Auditors of the Company and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Place : Ahmedabad  
Date : May 31, 1999.

**M. L. Sharma**  
Executive Director

**Ravi Malhotra**  
Managing Director