

Annual Report 2007-2008

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SIRHIND STEEL LIMITED

Board of Directors

Ravi Malhotra
Chairman & Managing Director

Rajika Malhotra

M. L. Sharma

Amal Dhru

Auditors

Manubhai G. Patel & Co.

Bankers

Axis Bank Limited
State Bank of India

Regd. Office

7th floor Shalin
Ashram Road
Ahmedabad 380 009

Works

Odhav
Ahmedabad 382 415

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NOTICE

Notice is hereby given that the 31st Annual General Meeting of Sirhind Steel Limited will be held on Monday, September 15, 2008 at 10.00 am at 7th floor, Shalin, Ashram Road, Ahmedabad 380 009 to transact the following business:

Ordinary Business

- 1 To receive, consider and adopt the Accounts for the year ended 31st March, 2008 together with the Report of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Amal Dhru, who retires by rotation and is eligible for re-appointment.
- 3 To appoint Auditors and fix their remuneration.

Special Business

- 4 To Consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 198,269,309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 as amended or re-enacted from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Ravi Malhotra as Managing Director of the Company for a period of five years with effect from 15th June, 2008 upon the terms and conditions set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Ravi Malhotra.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Ahmedabad
June 12, 2008

Ravi Malhotra
Chairman & Managing Director

NOTES

- 1 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
- 2 An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 3 The Register of Members and Share Transfer Books will remain closed from 8.9.2008 to 15.9.2008, both days inclusive.

Explanatory Statement pursuant to Section 173(2) of The Companies Act 1956.

Mr. Ravi Malhotra is Managing Director of the Company since its inception. The term of office of Mr. Ravi Malhotra as Managing Director of the Company expires on 14.06.2008. The present proposal is to seek the member's approval for the re-appointment of and remuneration payable to Mr. Ravi Malhotra as Managing Director in terms of the applicable provision of the Companies Act, 1956. (The "Act").

The Board of Directors of the Company (The "Board") at its meeting held on 12.06.2008 has, subject to the approval of Members, re-appointed Mr. Ravi Malhotra for a further period of 5 years from 15.06.2008. Mr. Ravi Malhotra upon re-appointment shall continue to hold office of the Chairman and Managing Director. The particulars of the terms of re-appointment of and remuneration payable to Mr. Ravi Malhotra are as under:

Salary

Rs. 175000 (Rupees one lac seventy five thousand only) per month with suitable yearly increase at the discretion of the Board.

Perquisites and Allowances

- i) The perquisites and allowances shall include reimbursement of expenses for utilities such as gas, electricity, water, furnishings, maintenance of house, club fees, medical expenses 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. Such perquisites and allowances will however be subject to such limit if any, as laid down by the Act.
- ii) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules at actual cost.
- iii) Provision for use of the Company cars and telephone at residence for official and personal use.
- iv) Company's contributions 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.

Commission

1% of the Net Profit of the Company computed in the manner laid down in Section 309(5) of the Act.

Reimbursement of Expenses

The Company shall pay to or reimburse the CMD 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.

Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the tenure of service, the Company will pay remuneration by way of salary, perquisites and allowance as specified hereinabove subject to the ceiling laid down in Section II of part II of Schedule XIII to the Act or any statutory modification, substitutions or re-enactments thereof.

General

The aggregate remuneration inclusive of salaries and other benefits to Mr. Ravi Malhotra shall always be within the overall ceiling laid down in the section 198,309 and other applicable provisions of the Act, 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 Act or any amendments made hereafter in this regard.

A copy of resolution passed by the Board indicating the terms of re-appointment of Mr. Ravi Malhotra is open for inspection at the registered office of the Company on any working day between 10.00 am to 5.00 pm.

None of the Directors of the Company except Mr. Ravi Malhotra, himself and Mrs. Rajika Malhotra are concerned or interested in passing of the above Resolution.

The Board commends the Resolution set out at item 4 of the Notice for your approval.

DIRECTORS' REPORT

To The Members,

Your Directors present the 31st Annual Report and the Audited Accounts for the year ended 31st March, 2008.

	Year ended 31.03.2008	Rs. in Lacs Year ended 31.03.2007
Financial Results		
Profit before Depreciation	748.60	379.01
Depreciation	17.10	15.66
Profit before Tax	731.50	363.35
Provision for Tax	142.32	104.92
Profit after Tax	589.18	258.43
Balance brought forward	273.02	364.59
Balance available for appropriation	862.20	623.02
Appropriations		
Transfer to General Reserve	270.00	350.00
Balance carried to Balance Sheet	592.20	273.02
	862.20	623.02

Operations

The sales income for the year was Rs. 8165.66 lacs compared to Rs.6512.30 lacs in the previous year and profit before depreciation for the year was Rs.748.60 lacs compared to Rs. 379.01 lacs. The Directors do not recommend any dividend for the year.

Director's Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- in preparation of annual accounts the applicable accounting standards have been followed,
- the accounting policies have been selected and applied consistently and the judgement and estimates made 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 the financial year and of the profit or loss of the Company for that period,
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- the annual accounts have been prepared on a going concern basis.

Conservation of Energy, Technology Absorption, Forex Earnings and Outgo

Information Pursuant to Section 271 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed to the report.

Directors

Mr. Amal Dhru retires by rotation being eligible offers himself for re-appointment.

Fixed Deposits

The Company has not accepted deposits from the public.

Particulars of Employees

The Company has no employee covered under Section 217(2A) of the Companies Act, 1956.

Auditors

The Auditors M/s Manubhai G Patel & Co. retire and are eligible for re-appointment. Your Directors recommend their re-appointment as Auditors for the ensuing year until conclusion of the next Annual General Meeting.

For and on behalf of the Board

Ahmedabad
June 12, 2008

Ravi Malhotra
Chairman & Managing Director

Annexure to Director's Report for the year ended 31st March 2008**FORM - A**

	Year ended 31.03.2008	Year ended 31.03.2007
(A) Power & Fuel Consumption		
1. Electricity		
Unifs	2419480	2617470
Amount	13461271	14006951
Rate Rs./ Unit	5.65	5.35
2. Furnace Oil		
Qty KL	1192	1271
Amount	23538061	21972086
Rate Rs./ KL	19747	17287
(B) Consumption per Unit of Production		
Electricity Units/MT	99.4	100.9
Furnace Oil Ltrs./MT	49.0	49.0

FORM - B

Technology Absorption	Nil	Nil
Foreign Exchange Earnings and outgo	Nil	Nil

AUDITORS' REPORT

To
The Shareholders
SIRHIND STEEL LIMITED

1. We have audited the attached Balance Sheet of **SIRHIND STEEL LIMITED** as at 31st March, 2008, and also Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 misstatement. 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 Company (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Clause (g) of sub Section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2008,
 - b) in the case of Profit & Loss Account of the Profit for the year ended on that date; and
 - c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

For MANUBHAI G. PATEL & CO.
Chartered Accountants

Ahmedabad
June 12, 2008

(M. G. Patel)
Proprietor
Membership No. 4705