

VALLABH STEELS LIMITED.



**21st Annual Report
2000-2001**





VALLABH STEELS LIMITED

BOARD OF DIRECTORS

Mr. Kapil Jain	Chairman
Mr. Rahul Jain	Whole Time Director
Mr. M. K. Jain	Director
Mr. Mohan Lal	Director
Mr. Surinder Kumar Soni	Director

AUDITORS

M/s Raj Gupta & Co.
Chartered Accountants
Miller Ganj, Ludhiana-141 003

BANKERS

Punjab National Bank,
International Banking Branch,
Industrial Area - 'A'
Ludhiana-141 003

REGISTERED OFFICE

G.T. Road, Pawa, Sahnewal,
Ludhiana -141 120 (Punjab)

WORKS

- (i) G.T. Road, Pawa, Sahnewal,
Ludhiana-141 120 (Punjab)
- (ii) G.T. Road, Nandpur, Sahnewal,
Ludhiana-141 120 (Punjab)

CONTENTS	Page No.
NOTICE	1
DIRECTORS' REPORT	2
AUDITORS' REPORT	6
BALANCE SHEET	8
PROFIT & LOSS ACCOUNT	9
ANNEXURES	10
NOTES ON ACCOUNTS	16
BALANCE SHEET ABSTRACT	19
CASH FLOW STATEMENT	20



VALLABH STEELS LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of **VALLABH STEELS LIMITED** will be held at Registered office of the company situated at G.T. Road , Village Pawa (Sahnawal), Ludhiana on Friday, 28th September, 2001 at 10.00 A. M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001, Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To declare dividend on Preference Shares.
3. a) To appoint a Director in place of Mr. Kapil Jain who retires by rotation and being eligible, offers himself for re-appointment.
b) To appoint a Director in place of Mr. M. K. 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 upto the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 6.8.2001

Sd/-
(KAPIL JAIN)
CHAIRMAN

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxy Form, in order to be effective must be delivered at the Registered Office of the company at least 48 hours before the scheduled time of the meeting .
2. The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, the 25th September, 2001 to Friday, the 28th September, 2001 (both days inclusive).
3. The Members are requested to notify the change in their address, if any, to the company immediately.
4. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to keep relevant information ready at the meeting.
5. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.



VALLABH STEELS LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 21st Annual Report of the Company alongwith the Audited Statements of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	Current Year	Previous Year
Operating Income	21900.05	15789.79
Profit before Interest, Depreciation and Tax	800.16	630.01
Less :		
Financial Expenses	280.95	177.51
Provision for Depreciation	287.07	177.41
Provision for Taxation	66.00	43.50
Profit after Tax	166.14	231.59
Balance brought forward	557.98	401.66
Profit available for appropriations	724.12	633.25
APPROPRIATIONS :		
Proposed Dividend on Preference Shares	0.22	0.22
Tax adjustment of earlier years	(1.35)	---
Tax on proposed dividend	0.02	0.05
Transfer to General Reserve	75.00	75.00
Surplus carried to Balance Sheet	650.23	557.98
	724.12	633.25

OPERATIONS

During the year, your company has achieved operating income of Rs. 21900.05 Lacs registering 38.70 % increase over the previous year income of Rs. 15789.79 Lacs. This resulted in a gross profit of Rs. 800.16 Lacs as compared to Rs. 630.01 Lacs of previous year and profit after tax of Rs. 166.14 Lacs as against Rs. 231.59 Lacs of previous year.

DIVIDEND

No dividend is recommended for the year under consideration. However dividend at the fixed rate of 11% is recommended for payment on preference share capital.

LISTING OF SHARES

The Equity Shares of the Company are listed at The Delhi Stock Exchange Association Limited, DSE House, 3/1 Asaf Ali Road, New Delhi, The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana, The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai and The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Calcutta. Further the company has duly paid the listing fee to all the aforesaid Stock Exchanges upto 31st March, 2002.



VALLABH STEELS LIMITED

FIXED DEPOSITS

During the year, your Company has not accepted any fixed deposits within the meaning of section 58-A of the Companies Act, 1956 and the Rules made thereunder.

DIRECTORS

Mr. Kapil Jain and Mr. M. K. Jain Directors retire by rotation and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

Your Company believes that good corporate practices enable the Board to direct and control the affairs of the Company in an efficient manner and to achieve its ultimate goal of maximising shareholders value. Realising this, your Company has already adopted many practices of SEBI directives on Corporate Governance over the last few years, even though they are not mandatory for your Company as yet, and is committed for achieving the highest standards of Corporate Governance. The provisions of Corporate Governance will be applicable to the Company w.e.f. 31st March, 2003.

AUDITORS

M/s Raj Gupta & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that re-appointment, if made, will be in accordance with sub section (IB) of section 224 of the Companies Act, 1956.

AUDITORS' REPORT

As regards auditors observations, the relevant notes on the accounts, are self explanatory and therefore, do not call for any further comments.

COST AUDITORS

The Board of Directors has appointed M/s Verma, Verma & Associates, Cost Accountants as the Cost Auditors of the Company under section 233B of the Companies Act, 1956 for which approval of the Central Government has been taken to conduct audit for the year 2001-2002.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information as per section 217 (1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-I forming part of this Report.

PERSONNEL AND INDUSTRIAL RELATIONS

The Management- Employees relations remained cordial throughout the year. The results during the year have been possible only with the dedication and hard work at all levels of workers and staff of the Company.

During the year, none of the employees of the company was in receipt of remuneration more than Rs. 12,00,000/- per annum or Rs. 1,00,000/- per month (if employed for part of the year) as required to be shown under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



VALLABH STEELS LIMITED

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : 28th September, 2001
Time : 10.00 A.M.
Venue : Registered Office of the Company
G.T. Road, Village Pawa, Sahnewal, Ludhiana.

Financial Calendar

Annual General Meeting	:	28th September, 2001
Results for the Quarter ending September	:	October, 2001
Results for the Quarter ending December	:	January, 2002
Results for the Quarter ending March	:	April, 2002

Date of Book Closure

Tuesday, the 25th September, 2001 to Friday, the 28th September, 2001 (both days inclusive)

Listing on Stock Exchanges

-The Ludhiana Stock Exchange Association Limited, Ludhiana
-The Stock Exchange, Mumbai
-The Delhi Stock Exchange Association Limited, New Delhi
-The Calcutta Stock Exchange Association Limited, Calcutta

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 is given in Annexure-II forming part of this report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere thanks and appreciation to the team of executives, staff members and workers at all levels for their co-operation, hard work, dedication and devotion. Our thanks are also due to the Bankers, Financial Institution, Government Authorities and Business constituents for their continued support and co-operation extended from time to time to the Company.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA	Sd/- (KAPIL JAIN)	Sd/- (RAHUL JAIN)
DATED : 6.8.2001	CHAIRMAN	WHOLE TIME DIRECTOR



VALLABH STEELS LIMITED

ANNEXURE-I TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (I) (e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31.3.2001.

I. CONSERVATION OF ENERGY

- a) Energy Conservation measure taken : N.A.
 b) Additional investments and proposals if any, being implemented for reduction of consumption of energy. : No
 c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production. : N.A.
 d) Total Energy consumption per unit of production as per form 'A' of the annexure to the Rules in respect of industries Specified in Schedule thereto.

A. POWER & FUEL CONSUMPTION

	Current Year	Previous Year
a) Electricity		
Furnace, Rolling, Tube Mill Divisions & Cold Rolled Mill.		
Purchased Units	1,86,56,584	1,46,43,473
Total Amount (Rs.)	5,91,78,847	4,31,79,241
Rate/Unit (Rs.)	3.17	2.95
b) Own Generation		
i) Through Diesel Generator		
Units	---	---
Unit per litre of diesel oil	---	---
Cost/Unit (Rs.)	---	---
ii) Through Steam/turbine Generator		
Units	---	---
Unit per litre of fuel/Gas/Oil	---	---
Cost/Unit (Rs.)	---	---
c) Coal (Steam)		
Quantity (Tonnes)	3,305	3,445
Total Cost (Rs.)	15,365	15,986
Average Rate (Rs.)	4,649	4,640
d) Furnace Oil		
Quantity (Ltrs.)	28,28,237	25,69,383
Total Cost (Rs.)	3,53,72,718	2,57,50,023
Average Rate (Rs.)	12.51	10.02
e) Other/Internal Generation		
Quantity	---	---
Total Cost (Rs.)	---	---
Average Rate (Rs.)	---	---

B. CONSUMPTION PER UNIT OF PRODUCTION

	Current Year	Previous Year
Products of UNIT		
Furnace, Rolling, Tube Mill & Cold Rolled Strips Divisions		
Electricity (Rs.)	MT 604	573

II. FOREIGN EXCHANGE EARNING AND OUTGO

- a) Activities relating to exports, initiatives to increase exports development of new export markets for products and services and export plans --- ---
 b) Total Foreign Exchange used and earned
 Used (Rs.) 1,91,11,445 1,31,250
 Earned (Rs.) --- ---

ANNEXURE-II TO THE DIRECTORS' REPORT

Directors' Responsibility Statement

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956 it is hereby confirmed :

- i) That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 ii) That the directors had 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 the financial year and of the profit of the Company for the year;
 iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 iv) That the directors had prepared the annual accounts on a going concern basis.

BY ORDER OF THE BOARD
OF DIRECTORS

PLACE : LUDHIANA
DATED : 6.8.2001

Sd/-
(KAPIL JAIN)
CHAIRMAN

Sd/-
(RAHUL JAIN)
WHOLE TIME DIRECTOR