



■ **Board of Directors**

Mr. Kailash Chandra Shahra	-	Chairman
Mr. Santosh Shahra	-	Vice - Chairman
Mr. Umesh Shahra	-	Managing Director
Mr. P.S. Santhanakrishnan	-	Director
Mr. Ashok Khasgiwala	-	Director
Mr. Veer Kumar Jain	-	Director
Mr. Gopal Singh	-	Director (Nominee : IFCI Ltd.)

■ **Company Secretary**

CS Vinay Gupta

■ **Auditors**

Arun Maheshwari & Company
8/9, Mahesh Nagar, Indore (M.P.)

■ **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.

CONTENTS

Notice	1
Directors' Report	2
Management Discussion & Analysis	6
Corporate Governance Report	8
Auditors' Report	16
Balance Sheet	19
Profit & Loss Account	20
Schedules	21
Cash Flow Statement	33
Additional Information	34

Annual General Meeting will be held on
Saturday, 29th September, 2007 at 12.00 Noon
at Sunvile Delux Pavillion, Sunvile Building,
9, Dr. Annie Besant Road, Worli, Mumbai - 400 018



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Saturday the 29th day of September, 2007 at 12.00 Noon at Sunvile Deluxe Pavillion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended as on 31st March, 2007 together with the Report of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Shahra, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Veer Kumar Jain, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of Next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board

Date : 31.07.2007

Registered office:

611, Tulsiani Chambers,
Nariman Point, Mumbai

Umesh Shahra
Managing Director

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 and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the registered office of the company not less than 48 hours before the time fixed for the meeting.
3. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.



DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting Twentieth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2007.

OPERATIONAL PERFORMANCE

			(Rs. In lacs)
1.	Financial Results	31.03.2007	31.03.2006
	Sales & Other Income	47572.68	28615.22
	Gross Profit	1259.77	1028.30
	Depreciation and Interest	1183.44	1007.43
	Profit before Tax	76.33	20.87
	Provision for Tax	71.48	12.25
	Deferred Tax Liability	(21.47)	7.56
	Profit after Tax	26.32	1.06

2. DIVIDEND

Due to long term requirement of funds Directors regret their inability to declare any dividend for the year under review.

3. DIRECTORS

Mr. Kailash Chandra Shahra and Mr. Veer Kumar Jain retire by rotation in accordance with provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer themselves for re-appointment.

4. CORPORATE GOVERNANCE

Schedule on Corporate Governance is enclosed as a part of Director's Report.

5. FIXED DEPOSITS

Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your directors confirm that :-

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of financial year and of the profit of your Company for that period;
- (iii) the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance



with the provisions of this Act for safeguarding assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis.

7. CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with respect to Conservation of Energy Technology absorption and foreign exchange earning & outgo under the Company (Disclosure of particulars in the report of Board of Directors) Rules 1988, are given as Annexure to this report.

8. AUDITORS

M/s Arun Maheshwari & Co, Chartered Accountants, Auditors of the Company hold office upto the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your board recommends their reappointment.

9. AUDITOR'S REPORT

Report of the Auditors and their observations on the Accounts of the Company for the year under review which are self explanatory are attached herewith.

10. LISTING AT STOCK EXCHANGES

Company's Equity Shares continue to be listed on Bombay Stock Exchange Limited, Mumbai. During the year Company's Equity Shares were de-listed from The Delhi Stock Exchange Association Limited (DSE) and Madhya Pradesh Stock Exchange Limited (MPSE) pursuant to voluntary delisting application of the Company.

11. CONVERSION OF OFCD'S TO FCD'S AND FURTHER FCD'S TO FULLY PAID EQUITY SHARES

During the year 5,65,256 0% Optionally Fully Convertible Debentures (OFCD'S) of Rs. 100/- each were converted into 5,65,256 Fully Convertible Debentures (FCD'S) of Rs. 100/- each aggregating Rs. 5,65,25,600 (Rs. Five Crores Sixty Five Lacs Twenty Five Thousand Six Hundred Only) and were allotted to IFCI Limited.

Further, 5,65,256 Fully Convertible Debentures (FCD) of Rs. 100/- each were converted into 55,69,025 Fully paid-up Equity Shares of Rs. 10/- each at premium of Rs. 0.15 per Equity Share, to IFCI Limited.

12. CEO AND CFO CERTIFICATION

The Board of Directors have received certificate from the Managing Director and CFO under clause 49 (v) of listing agreement.

13. PARTICULARS OF EMPLOYEE'S

None of the employee of the company was paid remuneration in excess of the limit. Therefore, the particulars of employees, as required by the provision of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended, are nil.

14. INDUSTRIAL RELATIONS

Relations with the employees continued to remain cordial throughout the year. Your Directors wish to place on record their appreciation for sincere and dedicated services rendered by the executive, staff and workers at all levels.

15. ACKNOWLEDGMENT

The Directors wish to place on record their appreciation for the sincere cooperation extended by the shareholders, Bankers and all other Govt. Agencies in carrying out the business of the Company.

By Order of the Board of Directors

Place : Indore
Date : 31.07.2007

Kailash Chandra Shahra
Chairman



ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE A

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors') Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2007.

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

	2006-2007	2005-2006
Production	59570.019	63676.189
1. Electricity		
a. Purchased Unit (KWH)	10036041	10556119
Amount (Rs. in Lacs)	490.35	556.06
Rate/Unit (Rs.)	4.89	5.27
b. OWN GENERATION		
(i) Through Diesel Generator	Nil	Nil
(ii) Through Steam Generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other		
(a) HSD		
Quantity (Ltrs.)	42200	72000
Total Amount (Rs. in Lacs)	14.34	19.67
Avg. Rate (Per Ltr.)	33.98	27.31
(b) Kerosene		
Quantity (Ltrs.)	1759279	1879950
Total Amount (Rs. in Lacs)	528.92	500.84
Avg. Rate (Per Ltr.)	30.06	26.64

B. CONSUMPTION PER UNIT OF PRODUCTION (PMT)

Product : Cold Rolled Steel Strips/Sheet		
Electricity (KWH)	168.47	165.78
Other		
a. HSD (Ltrs.)	0.71	1.13
b. Kerosene (Ltrs.)	29.53	29.52



FORM - B

(Form for Disclosure of Particulars with respect to technology absorption)

RESEARCH & DEVELOPMENT (R & D)

The Company continues to work on its long range plans to improve and enlarge its product range. However, there was no expenditure on research and development.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Barring a few components which are not available indigenously at competitive prices and of desired quality the Company has made every effort to indigenously and components for the imported machinery as well as indigenously machinery to minimize the imports. Many components have been developed indigenously for the imported mill also at such lower cost. The company has successfully absorbed the technology.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has made export during the year under review and has been taking keen interest for developing new export market. The foreign exchange earned on export was Rs. 2150 lacs (Previous year Rs. 4048 lacs). The expenditure in foreign exchange during the year under review is Rs. 3161 lacs (Previous year 3999 lacs).

For and on behalf of the Board of Directors

Place : Indore
Date : 31.07.2007

Kailash Chandra Shahra
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Your company is engaged in the business of manufacturing cold rolled steel coils and sheets matching International Standards, in the wide range; 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 galvanizing. The Company is also manufacturing CR Coils & Sheet and is known for their close gauge tolerance, superior finish & perfect flatness, free of stretcher from stains. They are bright and matt finish in annealed. Major grades manufactured are O, D, DD, EDD & IF of non aging, CRCA, automobile grades, TMBP, Galvaning Grades, Porcelain Enameling, Corrosion Resistance grade etc

Industry Outlook :

The outlook of the industry is positive looking to the change in economic scenario. The perception about the performance of the 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 also. 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 : 9001, the adequacy of which has also been reported by its auditors in their report as required under the Manufacturing & Other Companies (Auditor's Report) Order, 2003 issued by the Central Government of India. Adequate system of internal control is in place of 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.

Financial and Operating performance :

Summarised Profit and Loss Account for the year ended 31st March, 2007 is as under :

	31.03.2007	(Rs. In lacs) 31.03.2006
1. Financial Results		
Sales & Other Income	47572.68	28615.22
Gross Profit	1259.77	1028.30
Depreciation and Interest	1183.44	1007.43
Profit before Tax	76.33	20.87
Provision for Tax	71.48	12.25
Deferred Tax Liability	(21.47)	7.56
Profit after Tax	26.32	1.06



During the year under review, the sales and other income was Rs. 47572.68 lacs as compared to the previous year figures of Rs.28615.22 lacs. The production of finished goods was 59570.019 MT during the year 2006-07 as compared to 63676.189 MT during the previous year.

Fiscal 2006-07 was a tough year for the steel industry as a whole. Pressure on margins continued with increase in raw material prices without corresponding transe in prices of finished goods. These factors affected adversely on the revenue and profit of the company. The decision of the Government to restrict load on vehicles and increase in fuel prices also adversely affected operations of the company.

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.

Disclaimer:

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 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 conduct business and other incidental factors.



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 expectations of various elements of corporate environment. We believe in 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 statutory and regulatory requirements. Given below are the company's corporate governance policies and practices in accordance with provisions of Clause 49 of the Listing Agreement.

A report on implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

1. 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 leads to long term shareholder value and enhances interest of other stake holders. It brings into focus fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholders value.

2. 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 Director, two (2) Non-Executive Directors, three (3) Independent Directors and one (1) Professional Director.

Name of Director	Executive/Non-Executive/Independent*	No. of other Directorship* (Chairman)	Membership of other Board Committees (Chairman)
Mr. Kailash Chandra Shahra	Non-Executive	5(5)	2(1)
Mr. Santosh Kumar Shahra	Non-executive	8	1
Mr. Umesh Shahra	Executive	6	1(1)
Mr. P.S. Santhanakrishnan	Independent	6(1)	3(2)
Mr. Ashok Khasgiwala	Professional	1	-
Mr. Veer Kumar Jain	Independent	1	-
Mr. Gopal Singh (IFCI Nominee)	Independent	-	-

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



Attendance of Directors in Board Meetings and Annual General Meeting

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

- (1) 29.04.2006 (2) 15.07.2006 (3) 31.07.2006 (4) 31.10.2006 (5) 22.12.2006
(6) 23.01.2007 (7) 31.01.2007 (8) 17.03.2007 (9) 19.03.2007

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

Name of Director	Attendance	
	Board Meeting	AGM
Mr. Kailash Chandra Shahra	8	✓
Mr. Santosh Kumar Shahra	4	X
Mr. Umesh Shahra	9	✓
Mr. P.S.Santhanakrishnan	-	✓
Mr. Ashok Khasgiwala	9	✓
Mr. Veer Kumar Jain	8	✓
Mr. Gopal Singh (IFCI Nominee)	3	X

3. Remuneration to Directors

(a) Remuneration of Managing Director

The terms of remuneration of Mr. Umesh Shahra, Managing Director has already been fixed by the Board of Directors and approved by the Shareholders in the 19th Annual General Meeting. During the financial year 2006- 2007 the particulars of remuneration paid to Shri Umesh Shahra, Managing Director is as under: -

Particulars of remuneration:

1. Salary	Rs. 14,40,000/-
2. Allowances	Rs. 3,60,000/-
3. Contribution to Provident & other Fund	Rs. 1,72,800/-

(b) Remuneration of Non-executive Directors

During the financial year 2006-2007, sitting fees paid to Non-executive Directors amounted to Rs.12000/-.

As approved by the Board of Directors in accordance with the Articles of Association of the Company, the Non-executive Directors are paid a sitting fee of Rs.500/- for every meeting attended by them. No commission was paid or is payable to the Non-executive Directors during the financial year 2006-2007.



4. Audit Committee

Audit committee met five times during the financial year 2006-07. The dates are as follows :

(1) 29.04.2006 (2) 15.07.2006 (3) 31.07.2006 (4) 31.10.2006 (5) 31.01.2007

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

Name	Designation	Non-executive/ Independent	Profession	Committee Meetings Attended
Mr. Ashok Khasgiwala	Chairman	Professional Director	Chartered Accountant	5
Mr. P.S.Santhanakrishnan	Member	Independent Director	Retd. Bank Professional	-
Mr. Veer Kumar Jain	Member	Independent Director	Advocate	5

The terms of reference of Audit Committee includes the following;

- 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 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 financial management of the Company, including the Audit Report.

5. Share Transfer & Investors Grievance Committee

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

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



The Committee specifically looks into the shareholders and investors complaints on the matters relating to transfer of shares, non- receipt of annual report, non-receipt of dividend, demat of shares etc. In addition, the committee also looks into matters 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 was Compliance Officer of the Company upto 30th June, 2007. At present Mr. Vinay Gupta is Compliance Officer of the Company. 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 total 30 complaints, out of which 11 complaints related to non-receipt of Annual Report, 13 complaints related to non receipt of Share Certificate, 3 complaints for non receipt of Dividend Warrant, 3 complaints related to Dematerialization of Shares. All the complaints have been resolved to the satisfaction of the Shareholders and no complaint was pending as on 31st March, 2007.

6. Remuneration Committee

The remuneration committee has been constituted to recommend / review the remuneration package of the Managing / Whole time Director(s), based on performance and defined criteria. Following are the members of the committee:

Name	Designation	Executive / Non- Executive / Independent
Mr. Veer Kumar Jain	Chairman	Non Executive & Independent
Mr. Ashok Khasgiwala	Member	Non Executive & Independent
Mr. Gopal Singh	Member	IFCI Nominee

The remuneration policy is directed towards rewarding performance based on review of achievement on a periodic basis. The remuneration policy is in consonance with the existing Industry practice.

During the year under review one meeting of the committee was held on 31.01.2007

7. 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
2006-07	EGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	23.02.2007	12.30 P.M.
2005-06	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	27.09.2006	11.30 A.M.
2004-05	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	29.09.2005	02.30 P.M.
2003-04	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	27.09.2004	01.00 P.M.
2003-04	EGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	03.03.2004	11.00 A.M.

For the year ended 31st March, 2007 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.

8. Disclosures

- a. Transactions with Promoters, Directors and their relatives, Management or their subsidiaries, etc.
The Company has not entered into any transaction of material nature with the Promoters or Directors and/or their relatives or Management and/or their subsidiaries 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 requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during last three years.

9. Directors retiring by rotation and seeking for re-appointment

Mr. Kailash Chandra Shahra and Mr. Veer Kumar Jain retire by rotation and offer themselves for re-appointment. Mr. Kailash Chandra Sharha is a Commerce and Law Graduate and having more than 32 years of experience in the Industry.

Mr. Kailash Chandra Shahra has been awarded UDYOG RATNA award by Chief Minister of the Madhya Pradesh for his contribution to the Economic Development of the State.

He has over the years successfully led the Company to the present position it occupies in the industry. Apart from being the Chairman of the Company, Mr. Kailash Chandra Shahra also leads the Ruchi Group of Companies, having interests amongst others, in manufacturing of Soyabean Products, GP/GC Sheets, Cold Rolled Steel, Oil and Fats, Diary Products etc. He is instrumental in developing market for steel and bringing soya crop and crushing in the country. He is Chairman in the following other Public Limited Companies :-

1. Ruchi Soya Industries Limited
2. National Steel & Agro Industries Limited
3. Anik Industries Limited
4. Indian Steel Corporation Limited
5. National Board of Trade Limited

Mr. Veer Kumar Jain is a Commerce & Law Graduate and is on the Board of Company since 28th March 1992. He has wide exposure in Taxation and Legal matters. He is also Director in following other Public Limited Company:-

1. MPSE Securities Limited

10. Code of Conduct

The Company had laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The Code of Conduct is available on the website of the company www.ruchigroup.com/ruchistrips. The declaration of the Managing Director is given below:

To,
The Shareholders,
Ruchi Strips & Alloys Limited

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed and with Code of Conduct adopted by the Board of Directors.

Place : Indore
Dated : 29th April, 2007

Umesh Shahra
Managing Director

11. Communication to Shareholders

Quarterly financial results for the Financial Year 2006-07 were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai Edition). RSAL has its own website, www.ruchigroup.com/ruchistrips on which important public domain information are posted. All financial and other vital official news releases are also properly communicated to the concerned Stock Exchange(s), besides being placed on the website.



12. General Shareholder Information

Annual General Meeting : Date : 29th September, 2007
Time : 12.00 Noon
Venue : Sunvile Delux Pavilion, Sunvile Building,
9, Dr. Annie Besant Road, Worli, Mumbai

Financial Calender 2007-08

Adoption of Quarterly Results of
the quarter ended 3rd/4th week of

June 30, 2007	July, 2007
September 30, 2007	October, 2007
December 31, 2007	January, 2008
March 31, 2008	April/May, 2008

Annual General Meeting

For the year ending 31st March, 2008 : In August /September, 2008

Book Closure Dates : 26th September, 2007 to 29th September, 2007
(Both days inclusive)

Dividend Payment Date : No dividend is declared for the year 2006-07

13. Listing on Stock Exchanges

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE). The Shares of the Company have been delisted from Delhi Stock Exchange Association Limited and Madhya Pradesh Stock Exchange Limited pursuant to company's application for voluntary delisting.

Stock Code

Bombay Stock Exchange Limited, Mumbai : 513295 (Physical)
INE611C01012 (Demat)

Registrar & Transfer Agent : M/s Sarthak Global Limited
Avanti House,
170/10, Film Colony,
R.N.T.Marg,
Indore - 452 001 (M.P)

Plant Location : Village-Sejwaya,
Ghattabillod,
District-Dhar 454 773 (M.P)

Address of Correspondence : 611, Tulsiani Chambers,
Nariman Point,
Mumbai 400 021

Dematerialization of shares : 45.12 %of the total equity capital is held in Dematerialized
form with National Securities Depository Limited and Central
Depository Services (India) Limited as on 31st March, 2007.

Outstanding ADRs/GDRs : The Company has not issued any ADRs/GDRs



14. Market Price Data (Rs.)

The monthly high and low share prices of the Company traded at Bombay Stock Exchange, Mumbai for the Financial Year 2006-07 are as under :

Period	High (Rs.)	Low(Rs.)
April, 2006	10.70	8.90
May, 2006	10.90	7.29
June, 2006	10.10	6.30
July, 2006	10.00	7.56
August, 2006	10.00	8.62
September, 2006	9.60	7.64
October, 2006	10.00	7.55
November, 2006	9.17	7.10
December, 2006	9.25	7.05
January, 2007	11.49	8.81
February, 2007	11.49	8.50
March, 2007	10.30	7.40

15. Distribution of Shareholding as on 31st March, 2007

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 2500	20156	76.832	2575234	8.764
2501 - 5000	4097	15.617	1634300	5.562
5001 - 10000	1275	4.860	1084922	3.692
10001 - 20000	405	1.543	633482	2.155
20001 - 30000	105	0.400	272500	0.927
30001 - 40000	36	0.136	132029	0.449
40001 - 50000	47	0.178	223870	0.762
50001 - 100000	59	0.225	448766	1.527
Over 100000	54	0.250	22382022	76.162
TOTAL	26234	100.00	29387125	100.00

16. Share Transfer System

The Registrar & Share Transfer Agent M/s Sarthak Global Limited deals with Share transfer both in physical and dematerialized mode. The dematerialised shares are transferable through the depository system. Shares in physical form are processed by the R & TA and approved by Share Transfer & Investor Grievance Committee of Directors of the Company. Physical shares are transferred within stipulated time.



17. Shareholding Pattern and Distribution of Shareholding

Shareholding pattern as on 31.03.2007

Category	No.of Shares held	Percentage of Shareholding
1. Promoter's Holding including Foreign promoters	7479391	25.45
2. NRIs/OCBs/FIIs	111845	0.38
3. Banks, FIs, Mutual Funds	5895440	20.06
4. Indian Corporate Bodies	8709689	29.64
5. Indian Public	7190760	24.47
TOTAL	29387125	100.00

18. Dematerialisation of shares and liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository systems, of both NSDL and CDSL.

CERTIFICATE

To
The Members of
Ruchi Strips and Alloys Ltd.,

We have reviewed the compliance of the conditions of Corporate Governance by Ruchi Strips & Alloys Ltd. for the year ended March 31, 2007 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange in India.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending as on March 31, 2007 as per the records maintained by the Company and presented to the ShareTransfer & Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ARUN MAHESHWARI & CO,
Chartered Accountants.

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place : Indore
Date : 31.07.2007



AUDITORS REPORT

To,

The Members of Ruchi Strips and Alloys Limited

1. We have audited the attached Balance Sheet of Ruchi Strips and Alloys Limited as at 31st March, 2007 and the annexed Profit and Loss Account 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. These 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 Companies (Auditor's Report) Order 2003 (as amended) 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 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us ;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) 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 Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors are 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, 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 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 Profit & 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 ARUN MAHESHWARI & CO,
Chartered Accountants.**

**CA Arun Maheshwari
Proprietor
Membership No.70354**

Place : Indore
Date : 31th July, 2007



ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date.

- i. In respect of its Fixed Assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of Inventories:
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, the provisions of Clauses iii(b), iii(c), iii(d), iii(f) and iii(g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v.
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of the Rupees Five lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of section 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts and records in respect of manufacturing of cold rolled strips/sheets maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not made a detailed examination of such accounts and records with a view to determine whether they are accurate or complete.
- ix.
 - a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There were no arrears as at 31st March, 2007 for a period of more than six months from the date they became payable except Service Tax of Rs.8174/- payable as at year end, which has since been paid.
 - b. According to the records of the company and information and explanation given to us, particulars of dues of sales tax, income tax, custom duty, service tax, wealth tax, excise duty and cess which have not been deposited with appropriate authorities on account of any dispute, are as under :



Details of Disputed Statutory Dues as on 31.03.07 on account of matters pending before the Appropriate Authorities.

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where disputes are pending
01	Central Sales Tax Act, 1956	Sales Tax Demand	0.37	1999-2000	Case Pending for hearing with Maharashtra Sales Tax Tribunal
02	Entry Tax Act, 1976	Entry Tax Demand	1.42	1992-93	Case Pending for hearing with Board of Revenue, Gwalior (M.P.)
03	Entry Tax Act, 1976	Entry Tax Demand	0.61	1995-96	Case Pending for hearing with Board of Revenue, Gwalior (M.P.)
04	Central Excise Act	Modvat Credit Dispute	0.02	1995-96	Pending for Adjudication
05	Central Excise Act	Service Tax on GTA	3.12	2004-2005	Pending for Adjudication
06	Central Excise Act	Service Tax on GTA	62.31	2005-2006	Pending for Adjudication
07	Income Tax Act, 1961	Income Tax	6.76*	1989-90	Restored to CIT (A) by ITAT, Mumbai

* Demand Adjusted against refund due to the Company.

- x. The Company has no accumulated losses as at 31st March, 2007 and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a Financial Institution, Bank or Debenture Holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi. The Company has not raised any term loan during the year under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. According to the information and explanations given to us, the Company has already created security or charge in respect of debentures issued in earlier years. No debentures have been issued during the year.
- xx. The Company has not raised money by public issues during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

**For ARUN MAHESHWARI & CO,
Chartered Accountants.**

**CA Arun Maheshwari
Proprietor
Membership No.70354**

Place : Indore
Date : 31st July, 2007



BALANCE SHEET AS AT 31st MARCH,2007

	Schedule	Rs. in Lacs	As at 31.03.2007 Rs. in Lacs	As at 31.03.2006 Rs. in Lacs
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	2936.96		2380.06
b) Reserves & Surplus	B	<u>732.10</u>		<u>697.42</u>
			3669.06	3077.48
2. Loan Funds				
a) Secured Loan	C	3099.47		3318.17
b) Unsecured Loan	D	<u>315.34</u>		<u>129.05</u>
			3414.81	3447.22
3. Deferred Tax Liability-Net				
			302.36	323.84
	TOTAL		<u>7386.23</u>	<u>6848.54</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block	E	6158.93		6146.14
b) Less: Depreciation		<u>4145.95</u>		<u>3912.51</u>
c) Net Block		2012.98		2233.63
d) Capital Work-in-Progress		<u>509.76</u>		<u>102.72</u>
			2522.74	2336.35
2. Investments				
	F		15.00	15.00
3. Current Assets, Loans and Advances				
a) Inventories	G	5785.59		5330.40
b) Sundry Debtors	H	6087.42		3321.37
c) Cash and Bank Balances	I	672.20		692.92
d) Other Current Assets	J	77.47		71.85
e) Loans and Advances	K	<u>466.92</u>		<u>1064.88</u>
		13089.60		10481.42
4. Less: Current Liabilities and Provisions				
a) Current Liabilities	L	8134.34		5959.43
b) Provisions		<u>106.77</u>		<u>24.80</u>
Net Current Assets		8241.11		5984.23
	TOTAL		<u>4848.49</u>	<u>4497.19</u>
	TOTAL		<u>7386.23</u>	<u>6848.54</u>
Significant Accounting Policies and Notes on Accounts	R			

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 31st July,2007

Indore: 31st July,2007



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

	Schedule	2006-07 Rs. in Lacs	2005-06 Rs. in Lacs
1. INCOME			
Sales and Services	M	50535.27	31468.40
Less:Excise Duty		<u>3039.78</u>	<u>2873.18</u>
Other Income	N	77.19	20.00
	TOTAL	<u>47572.68</u>	<u>28615.22</u>
2. EXPENDITURE			
Materials	O	42953.60	24076.38
Expenses	P	3359.30	3510.54
Financial Charges	Q	<u>922.00</u>	<u>705.48</u>
Depreciation		<u>261.44</u>	<u>301.95</u>
	TOTAL	<u>47496.34</u>	<u>28594.35</u>
Profit / (Loss) for the year before tax		76.34	20.87
Provision for taxation			
Current Tax		63.48	1.76
Deferred Tax Liability (Assets)		(21.47)	7.56
Frienge Benefit Tax		<u>8.00</u>	<u>10.49</u>
Profit/ (Loss) after tax		26.33	1.06
Add: Transfer from Debenture Redemption Reserve		380.51	0.00
Add: Balance Brought forward from previous year		<u>260.24</u>	<u>260.24</u>
Amount available for appropriation	TOTAL	667.08	261.30
Less: Transfer to Debenture Redemption Reserve		0.00	1.06
Balance carried to Balance Sheet		<u>667.08</u>	<u>260.24</u>
Basic Earning Per Share (Note No. B-8) Rs.		0.11	0.00
Diluted Earning Per Share (Note No. B-8) Rs.		0.09	0.00
Significant Accounting Policies and Notes on Accounts	R		

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 31st July,2007

Indore: 31st July,2007



**SCHEDULE "A" TO "R" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH,2007 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH,2007.**

	Rs. in Lacs	As at 31.03.2007 Rs. in Lacs	As at 31.03.2006 Rs. in Lacs
SCHEDULE :A - SHARE CAPITAL			
Authorised			
3,30,00,000 Equity shares of Rs.10/- each. (Previous year 3,00,00,000)	3300.00		
7,00,000 5% non cumulative redeemable preference share of Rs. 100 each. (Previous year nil)	700.00	4000.00	3000.00
Issued, Subscribed and Paid-Up			
2,93,87,125 Equity shares of Rs.10/-each (previous year 2,38,18,100 Equity shares of Rs.10/-each) fully paid (of the above 13,00,000 (Previous year 13,00,000) Equity shares of Rs.10/- each allotted for consideration otherwise than for cash)		2938.71	2381.81
Less: Allotment money unpaid (Other than Directors)		1.75	1.75
		<u>2936.96</u>	<u>2380.06</u>
SCHEDULE:B - RESERVES AND SURPLUS			
(a) Capital Reserves as per last Balance Sheet		10.00	10.00
(b) Debenture Redemption Reserves Since Last year	427.18		426.12
Addition during the year	0.00		1.06
	<u>427.18</u>		<u>427.18</u>
Transfer to Profit & Loss Account	380.51	46.67	0.00
(c) Share premium actual received during the year		8.35	
(d) Profit and Loss Account Balance		667.08	260.24
		<u>732.10</u>	<u>697.42</u>
SCHEDULE: C - SECURED LOANS			
A. Debentures			
(a) Redeemable Non-Convertible Debentures		93.33	115.33
(b) 0% Optionally Fully Convertible Debentures (OFCD)		0.00	565.26
B. Term loans			
From Financial Institutions		450.92	542.92
C. Working Capital Loans			
From Banks		2555.22	2094.66
		<u>3099.47</u>	<u>3318.17</u>

NOTES:

1. Redeemable Non Convertible Debentures and Term loans from Financial Institutions are secured by way of first mortgage on all immovable properties both present and future ranking pari passu and further secured by hypothecation of all movable assets (save and except book debts) both present and future, except prior charge created and/or to be created in favour of the Company's Bankers on stocks of raw-materials, semi - finished and finished goods, consumables stores and book debts for securing working capital borrowings; and personally guaranteed by two Directors.
2. Working capital loan facilities from Banks are secured by hypothecation of entire stocks of raw materials, stock in process, finished goods, stores and spares, stock in transit, book debts and second charge by way of mortgage on all immovable properties together with building and other structures thereon and all plant and machineries attached to the earth and personally guaranteed by two Directors.
3. Redeemable Non Convertible Debentures privately placed to IFCI Ltd. carry interest rate of 15 % p.a .
4. Redeemable Non Convertible Debentures are redeemable at par in 28 quarterly ballooning instalments from April, 2004 to January 2011.
5. In case of default in the repayment of term loans, IFCI Ltd. shall have right to convert the defaulted amount into equity .
6. Installments of Redeemable Non Convertible Debentures and Term loans due within one year are; Rs. 23.00 lacs (Previous year 21.00 lacs) and Rs.100 lacs (Previous year 92 lacs) respectively.



As at
31.03.2007
Rs. in Lacs

As at
31.03.2006
Rs. in Lacs

SCHEDULE: D - UNSECURED LOANS

Inter corporate Deposits	315.34	129.05
	315.24	129.05

SCHEDULE: E- FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Additions	Deductions	As at 31.03.2007	Upto 31.03.2006	For the Year	on Deductions	Upto 31.03.2007	As at 31.03.2007	As at 31.03.2006
Freehold land	58.58	38.40	0.00	96.98	0.00	0.00	0.00	0.00	96.98	58.58
Buildings	955.54	4.25	0.00	959.79	320.69	27.32	0.00	348.01	611.78	634.85
Plant & Machinery	4873.42	0.00	42.22	4831.20	3440.86	215.11	27.15	3628.82	1202.38	1432.56
Furniture & Fixtures	79.51	0.52	0.85	79.18	54.17	5.00	0.55	58.62	20.56	25.34
Office Equipments	112.92	4.66	0.39	117.19	66.69	8.48	0.18	74.99	42.20	46.23
Vehicles	66.17	8.56	0.14	74.59	30.10	5.53	0.12	35.51	39.08	36.07
Total	6146.14	56.39	43.60	6158.93	3912.51	261.44	28.00	4145.95	2012.98	2233.63
Previous Year	5735.62	413.28	2.76	6146.14	3613.18	301.95	2.62	3912.51		
Capital work in progress (including advances to suppliers) pending for allocation.									509.76	102.72
Grand Total									2522.74	2336.35



	As at 31.03.2007 Rs. in Lacs	As at 31.03.2006 Rs. in Lacs
SCHEDULE:F - INVESTMENTS (at cost)		
Long Term Investments (Other than trade, Unquoted)	<u>15.00</u>	<u>15.00</u>
1,50,000 Equity Shares of Rs.10 each fully paid in Ruchi Global Limited.	<u>15.00</u>	<u>15.00</u>
SCHEDULE:G - INVENTORIES		
[As certified and valued by the management]		
(a) Stores, Spares & Packing material	319.37	360.60
(b) Raw materials	1873.59	1901.37
(c) Goods in Transit (at cost)	1321.83	14.03
(d) Work in Progress	944.28	1480.86
(e) Finished Goods	1293.66	1554.04
(f) Scrap	<u>32.86</u>	<u>19.50</u>
(At lower of cost or net realisable value, except scrap valued at net realisable value)	<u>5785.59</u>	<u>5330.40</u>
SCHEDULE: H - SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months	84.27	84.22
Other Debts	<u>6003.15</u>	<u>3237.15</u>
	<u>6087.42</u>	<u>3321.37</u>
SCHEDULE: I - CASH AND BANK BALANCES		
Cash on hand	4.36	5.45
Balances with Scheduled Banks		
(a) In Current Accounts	18.32	20.69
(b) In Deposit Accounts	<u>649.52</u>	<u>666.78</u>
	<u>672.20</u>	<u>692.92</u>
SCHEDULE: J - OTHER CURRENT ASSETS		
(a) Interest Receivable	10.62	21.45
(b) Other Receivable	<u>66.85</u>	<u>50.40</u>
	<u>77.47</u>	<u>71.85</u>
SCHEDULE: K - LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received.	319.20	919.38
(b) Deposit with Govt. Department & Others	80.24	77.87
(c) Advance Income Tax (Including TDS)	<u>67.48</u>	<u>67.63</u>
	<u>466.92</u>	<u>1064.88</u>
SCHEDULE: L - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
(a) Sundry creditors	6747.09	4923.86
(b) Customer's credit balances	1263.34	973.82
(c) Other liabilities	106.91	41.19
(d) Interest accrued but not due on loans	<u>17.00</u>	<u>20.56</u>
	<u>8134.34</u>	<u>5959.43</u>
PROVISIONS		
For Taxation	<u>106.77</u>	<u>24.80</u>
	<u>8241.11</u>	<u>5984.23</u>



	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE: M- SALES AND SERVICES		
Sales	50509.32	31452.21
Job Processing Charges (Gross)	25.95	16.19
{Tax deducted at source Rs. 20,720}		
(Pre.year Rs. 37,188)	<u>50535.27</u>	<u>31468.40</u>
SCHEDULE: N - OTHER INCOME		
Miscellaneous Income	76.74	19.83
Profit on sale of Fixed Assets	0.45	0.17
	<u>77.19</u>	<u>20.00</u>
SCHEDULE: O - MATERIALS		
(a) Raw materials consumed		
Stock at commencement	1901.37	2840.63
Purchases	<u>16662.77</u>	<u>14660.55</u>
	<u>18564.14</u>	<u>17501.18</u>
Less: Stock at close	<u>1873.59</u>	<u>1901.37</u>
	16690.55	15599.81
(b) Purchase of Finished or Traded goods	25479.45	8805.07
(c) Variation in Stocks		
Stock at close:		
Finished goods	1293.66	1554.04
Work-in-progress	944.28	1480.86
Scrap	<u>32.86</u>	<u>19.50</u>
	2270.80	3054.40
Less: Stock at commencement		
Finished goods	1554.04	1165.54
Work-in-progress	1480.86	1548.73
Scrap	<u>19.50</u>	<u>11.63</u>
	3054.40	2725.90
	<u>783.60</u>	<u>(328.50)</u>
	<u>42953.60</u>	<u>24076.38</u>



	Current Year		Previous Year
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
SCHEDULE: P - EXPENSES			
Power and Fuel			
Power	490.35		556.06
Fuel	543.26	1033.61	<u>485.48</u> 1041.54
Consumption of Stores, Spares & Packing Materials		448.75	456.09
Processing Charges		137.29	65.67
Repairs:			
Building	19.23		15.25
Plant & Machineries	14.44		15.67
Others	40.01	73.68	46.71
Salaries, Wages and Bonus		470.98	416.86
Contribution to Provident & Other Funds		19.59	17.06
Workmen and Staff Welfare		20.22	22.29
Rent		6.89	5.67
Rates & Taxes		0.17	0.26
Insurance		19.23	17.47
Freight and forwarding charges		809.29	653.23
Export Expenses		87.14	512.05
Travelling & Conveyance (Including Rs. 16.98 lacs to Directors (prev.year Rs.11.92 lacs))		85.38	87.84
Other Expenses		147.08	<u>136.88</u>
		3359.30	<u>3510.54</u>
SCHEDULE: Q - FINANCIAL CHARGES			
Interest:			
On Debentures and Other Fixed Loans	98.49		110.51
Others	624.45		501.43
	722.94		611.94
Less:Interest received(Gross)	33.91		<u>76.89</u>
(Tax deducted at source Rs. 7.53 lacs (pre.year Rs. 11.77 lacs))		689.03	535.05
Bank Commission & Charges		232.97	<u>170.43</u>
		922.00	<u>705.48</u>



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2007 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE: R- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

a) Accounting concept

- i) The Company follows the mercantile system of the accounting and recognises income and expenditure on accrual basis.
- ii) Financial statement are based on historical cost convention.

b) Sales

Sales are inclusive of income from services, excise duty, export incentives and exchange fluctuation on export receivable and net of trade discount and rebates.

c) Fixed Assets

- i) Fixed Assets
Fixed assets are stated at cost of acquisition or construction less accumulated depreciation (except free hold land)
- ii) Capital Expenditure
Assets under erection/installation and advances given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period is shown as "Pre-operative expenses" to be capitalised on erection/installation of the assets.

d) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

e) Borrowing cost

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

f) Inventories

- i) Finished goods, Raw-materials and Work-in-progress are stated at lower of cost or net realisable value on FIFO basis. Goods in transit is stated at cost.
Cost of inventories generally comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of excise duty.
- ii) Scrap at net realisable value.
- iii) Custom Duty.
The liability on account of Custom duty on imported materials in transit or in bonded warehouse is recognised on clearance of the goods from the Customs.

g) Investments

Long term investments are stated at cost with an appropriate provision for permanent diminution in value.

h) Export incentives/Benefits

Export incentives or benefits under the Export Import Policy are accounted in the year of exports on accrual basis.

i) Foreign Currency Transactions

Transaction in Foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Current assets and Current liabilities not covered by forward contract are translated at the year end exchange rate and any gain/loss on account of fluctuation is recognised in profit and loss account. Premium / Discount in respect of forward foreign exchange contract is recognised over the life of the contract.



j) Contingent liabilities not provided for and are disclosed by way of notes.

k) Segment Accounting

(1) Segment Accounting Policies:-

Accounting policies followed by the company for segment reporting are.

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to segment.
 - (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses, which relate to the company as a whole and not allocable to segment, are included under unallocable expenses.
 - (c) Income which relates to the company as a whole and not allocable to segment is included under unallocable income.
 - (d) (i) Segment Assets includes those assets directly identifiable with respective segments and employed by a segment in its operating activities, but does not include income tax assets.
(ii) Segment liabilities includes those liabilities directly identifiable with respective segments and operating liabilities that result, from operating activities of a segment, but does not include income tax liabilities and financial liabilities.
(iii) Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole & not allocable to any segment.
- (2) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system. The various segments identified by the Company are as under.

Name of Segment	: Comprised of
Steel	: Steel Manufacturing and Trading
Oils	: Crude Oils, refined Oils
Others	: DOC, Soyameal Etc.

l) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) Retirement Benefits

i) Provision for Gratuity Benefits.

The Company has opted for a scheme with Life Insurance Corporation of India to cover its liabilities towards employees' gratuity. The annual premium paid to Life Insurance Corporation of India is charged to profit and loss account. The shortfall, if any, between the amounts payable to the employees and accumulated sum with Life Insurance Corporation of India is borne by the company.

ii) Leave Encashment

The Company provides for value of unutilised leave due to employees at the end of the year on the basis of actuarial valuation.

iii) Provident and Others Fund

Contribution to Provident Fund and Family Pension Fund are provided for and payment in respect thereof are made to the relevant Authorities on an actual basis.

n) Excise duty

The Excise duty in respect of closing inventory of finished goods is included as part of inventory.

o) Operating Leases

Lease rentals are recognised as an expense on a straight line basis over the term of the lease.

p) Impairment of Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. An impairment loss recognised in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



q) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

B. NOTES ON ACCOUNTS	2006-07	2005-06
	Rs. in Lacs	Rs. in Lacs
1. Contingent Liabilities not provided for		
a) Outstanding Bank guarantees	197.23	97.73
b) Disputed liabilities not acknowledged as debts.	13.51	13.51
c) Estimated amount of contracts remaining to be executed on capital account(net of advance)	542.04	251.09
d) Estimated liability of custom duty which may arise if export obligation is not fulfilled.	-	-
2. Sundry Creditors includes bills payable for purchases of material Rs. 3367.94 lacs (previous year Rs. 1461.55 lacs)		
3. 0% Optionally Fully Convertible Debentures were converted into Fully Convertible Debentures and subsequently into 55,69,025 Equity Shares of Rs. 10/- each. These shares were issued to IFCI Ltd. on 19 th March, 2007 at price of Rs. 10.15 per share (including premium of Rs. 0.15 per share).		
4. The allotment money unpaid are subject to reconciliation.		
5. REMUNERATION TO AUDITORS		
a) As Audit Fee	0.75	0.35
b) for Certification including Tax Audit	0.27	0.27
6. REMUNERATION TO MANAGING DIRECTOR		
a) Salary	14.40	14.40
b) Allowances	3.60	3.60
c) Contribution to Provident & other Fund	1.73	1.73
	19.73	19.73
7. Related Party Disclosures:		
1. Relationships		
(a) Key Management Personal & relative		
Shri Umesh Shahra		Managing Director
Smt. Sandhya Khandelwal		Sister of Managing Director
(b) Entities where key management personal or relative of key management personal have significant interest		
Suyash Trust.		
Shahra Bros. Pvt. Ltd.		
Indian Steel Corporation Limited		
Note: Related party relationship is as identified by the Company and relied upon by the Auditors.		



2. Transaction carried out with related parties referred in 1 above, in ordinary course of business during the existence of related party relationship:

Nature of Transactions	2006-07		2005-06	
	Related Parties		Related Parties	
	Referred in	Referred in	Referred in	Referred in
	1 (a)	1 (b)	1 (a)	1 (b)
Sales		2197.79		184.01
Purchases		1613.26		1640.45
Expenses				
Remuneration	19.73	-	19.73	-
Rent		0.60	.20	0.60
Maintenance Charges		1.98		1.98
Outstandings				
Deposit given	-	-	-	-
Receivable	-	235.44	-	-
Payable	-	-	-	182.87

8. Earning Per Share (EPS)	2006-07	2005-06
(a) Net Profit after tax (Rs. in Lacs)	26.33	1.06
(b) Basic		
i) Weighted Average Number of Equity Shares	24016449	23818100
ii) Earning per Share Rs..	0.11	0.00
(c) Diluted		
i) Weighted Average Number of Equity Shares	29467686	29970638
ii) Earning per Share Rs..	0.09	0.00
(d) Nominal value of per ordinary share	Rs.10	Rs.10

9. In the opinion of the Board of Directors the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and provision for known liabilities is adequate and reasonable. There are no contingent liability other than those stated herein above.

10. During the accounting year 2005-06 Income Tax Authorities carried out a search u/s 132(1) of the Income Tax Act, 1961. In order to buy peace and avoid litigation company has declared an additional income of a sum of Rs. 260 Lakhs on which approximately Income Tax Liability would be Rs. 90 Lakhs. The relevant return of Income Tax is yet to be filed and thereafter assessment / reassessment to be completed. In view of this no provision for Income Tax, interest and penalty, if any, is made in the accounts.

11. As per the records and information available with the Company there is no amount due or payable to Small Scale Industrial Undertakings as on 31st March '07 (Previous year Rs. Nil.)



12. Segment Reporting

a) Business Segment										Rs. in Lacs	
Particulars	Steel Business		Oils		Others		Unallocable		Total		
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-07	
Segment Revenue	37204.66	22252.56	9137.41	5997.34	1230.15	365.15	0.45	0.17	47572.67	28615.22	
Segment results (PBIT)	(433.11)	431.03	1086.44	0.01	29.52	10.70	82.52	114.18	765.37	555.92	
Less: Interest	-	-	-	-	-	-	-	-	689.03	535.05	
Profit before Exceptional/Extraordinary item.									76.34	20.87	
Exceptional/Extraordinary item.	-	-	-	-	-	-	-	-	0.00	0.00	
Profit before Tax	-	-	-	-	-	-	-	-	76.34	20.87	
Less:- Current Tax									63.48	1.76	
Deferred Tax(Assets)/Liabilities									(21.47)	7.56	
Fringe Benefit Tax									8.00	10.49	
Profit after Tax									26.33	1.06	
Segment Assets	12521.40	11984.48	1058.26	1.08	1230.25	0.10	734.95	764.49	15544.86	12750.15	
Segment Liabilities.	6899.20	5930.08	21.70	8.74	1196.44	0.05	17.00	20.56	8134.34	5959.43	
Capital Expenditure.	51.21	393.66	-	-	-	-	5.18	19.62	56.39	413.28	
Segment Depreciation	247.96	290.64	-	-	-	-	13.48	11.31	261.44	301.95	
Non Cash expenditure other than depreciation	0	0	-	-	-	-	-	-	0	0	

b) Secondary Segment Geographical.

The Company's operating facilities are located in India.

Domestic Revenue

45393.96 24433.94

Export Revenue

2178.72 4181.28

Total

47572.68 28615.22

Note:

(a) unallocable segment assets exclude the following:-

(i) Investments

15.00 15.00

(ii) Advance income Tax

67.48 67.63

(b) unallocable segment liabilities exclude the following:-

(i) Secured Loans

3099.47 3318.17

(ii) Unsecured Loans

315.34 129.05

(iii) Deferred Tax liability

302.36 323.84

(iv) Provision for Tax

106.77 24.80

13. Deferred Tax Liability (Net)

**Deferred Tax
Assets/(Liability)
as at 31.03.2007**

Deferred Tax
Assets/(Liability)
as at 31.03.2006

Deferred Tax Liability :

Difference between book & Tax Depreciation

(309.55)

(346.21)

Deferred Tax Assets :

Unabsorbed Depreciation

0.00

15.57

Dis Allowance U/s 43 B

7.19

6.80

7.19

22.37

(302.36)

(323.84)



14. Previous year's figures have been re-grouped and re-arranged wherever necessary to make them comparable.

15. The Balances of creditors, debtors, advances and banks are partly confirmed.

	2006-07		2005-06	
16. A. CAPACITY & PRODUCTION				
Cold Rolled Strips/Sheets				
i) Licensed Capacity (MTs.)	*	N.A.	*	N.A.
ii) Installed Capacity (MTs.)	**	55000.000	**	55000.000
iii) Actual Production (MTs.)	***	59570.019	***	63676.189

* The licensed capacity is not given as the licencing for company's products have been abolished.

** As Certified by the Chartered Engineer

*** Production includes job work processing of 0.00 MTs. (Pr.yr.9.430 MTs.) for others and exclude 3100.991 Mts reprocess (pre.year 6960.879 Mts.).

	2006-07		2005-06	
	Quantity (MTS)	Value Rs. in Lacs	Quantity (MTS)	Value Rs. in Lacs
B. TURNOVER				
a) Cold Rolled Strips/Sheets	107554.626	39622.68	69298.218	23943.35
b) Job-Work Processing	0.000	25.95	9.430	16.19
c) Oils	31070.000	9137.41	20700.000	5997.34
d) H.R.Coil	68.270	19.89	2363.055	676.61
e) DOC	9852.350	1230.15	3100.776	365.15
f) Others		499.18	0.000	469.76
C. STOCK OPENING				
Cold Rolled Strips/Sheets	4458.035	1554.04	3166.146	1165.54
D. STOCK CLOSING				
Cold Rolled Strips/Sheets	3311.525	1293.66	4458.035	1554.04
E. RAW MATERIAL CONSUMED				
Hot Rolled Coils	61360.597	16690.54	67822.857	15599.81
F. PURCHASE OF GOODS TRADED IN				
a) Cold Rolled Strips/Sheets	46838.097	16227.84	6923.348	1693.83
b) Oils	31070.000	8050.98	20700.000	5997.33
c) H.R.Coil	0.000	0.00	2363.055	759.45
d) DOC	9852.350	1200.63	3100.776	354.45
e) Others		0.00	0.000	0.00
G. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED	%	Value	%	Value
a) Raw Material				
Imported	6.39	1065.53	20.70	3228.84
Indigenous	93.61	15605.19	79.30	12370.97
b) Stores & Spares				
Imported	0.00	0.00	1.22	11.43
Indigenous	100.00	992.02	98.78	930.14



H. VALUE OF IMPORTS ON CIF BASIS

a) Raw Material	1960.09	3420.78
b) Oils	0.00	0.00
c) Cold Rolled Strips/Sheets	0.00	0.00
d) Stores	0.43	8.28
e) Soya meal	1196.39	356.68
f) Capital Goods	0.00	16.42

I. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling	3.49	10.35
Commission	0.83	186.28

J. EARNING IN FOREIGN CURRENCY

FOB Value of Export	2149.87	4047.79
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K. Additional information as required under part IV of the Schedule VI to the Companies Act,1956 is enclosed in the

Signature to Schedule 'A' to 'R'

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shaha
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shaha
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shaha
Managing Director
Indore: 31st July,2007

Indore: 31st July,2007



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2007

	CURRENT YEAR Rs. in Lacs	PREVIOUS YEAR Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
a) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	76.34	20.87
ADJUSTMENT FOR:		
DEPRECIATION	261.44	301.95
INTEREST	689.03	535.05
-PROFIT/+LOSS ON SALE OF FIXED ASSETS	(0.45)	(0.17)
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1026.36	857.70
ADJUSTMENT FOR:		
TRADE & OTHER RECEIVABLE	(2173.86)	(18.53)
INVENTORIES	(455.19)	1182.34
TRADE & OTHER PAYABLE	2174.90	(1374.51)
c) CASH GENERATED FROM OPERATIONS	572.21	647.00
DIRECT TAXES PAID	10.64	(41.90)
d) CASH FLOW BEFORE EXTRAORDINARY ITEM EXTRAORDINARY ITEM	582.85	605.10
NET CASH FLOW FROM OPERATING ACTIVITIES	582.85	605.10
B CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	33.91	76.89
SALE OF FIXED ASSETS	16.05	0.31
PURCHASE OF FIXED ASSETS	(463.44)	(498.71)
NET CASH FLOW FROM INVESTING ACTIVITIES	(413.48)	(421.51)
C CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES	565.26	0.00
PROCEED FROM BORROWINGS	0.00	187.99
REPAYMENT OF BORROWINGS	(32.40)	0.00
INTEREST PAID	(722.95)	(611.94)
NET CASH FLOW FROM FINANCING ACTIVITIES	(190.09)	(423.94)
D NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(20.72)	(240.35)
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	692.92	933.27
CASH & CASH EQUIVALENT AT END OF THE YEAR	672.20	692.92

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

CA Arun Maheshwari
Proprietor
Membership No. 70354

Kailash Chandra Shahra
Chairman

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 31st July, 2007

Indore: 31st July, 2007



ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT,1956
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. L27100 MH 1987 PLC 142326

State Code 11 Balance Sheet Date 31/03/2007

II Capital Raised during the year

Public Issue NIL Right Issue NIL

Bonus Issue NIL Private Placement 556.90

III Position of Mobilisation and Deployment of Funds

Total Liabilities 7386.23 Total Assets 7386.23

Sources of Funds

Paid-up Capital 2936.96 Reserves & Surplus 732.10

Secured Loans 3099.47 Unsecured Loans 315.34

Deferred Tax Liability-Net 302.36

Application of Funds

Net Fixed Assets 2522.74 Investments 15.00

Net Current Assets 4848.49 Miscellaneous Expenditure NIL

Accumulated Losses NIL

IV Performance of the Company

Turnover & Other Income 47572.68 Total Expenditure 47496.34

Profit + / Loss - before tax 76.34 Profit + / Loss - after tax 26.33

Earning per Share in Rs. 0.11 Dividend Rate % NIL

V Generic Names of Principal Products/Services of the Company (as per Monetary terms)

Item Code No. (ITC Code) 7209

Product description COLD ROLLED COILS/STRIPS/SHEETS

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354

Santosh Kumar Shahra
Vice Chairman

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director
Indore: 31st July,2007

Indore: 31st July,2007



RUCHI STRIPS AND ALLOYS LIMITED

Registered Office : 611, Tulsiani Chamber, Nariman Point, Mumbai - 400 021

TWENTIETH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company to be held on Saturday, 29th day of September, 2007 at 12.00 Noon at Sunville Deluxe Pavillion, Sunville Building, 9, Dr. Annie Beasant Road, Worli, Mumbai - 400 018.

Name of Shareholder / Proxy (in Block Letters)	Regd. Folio No./ DP ID & Client ID
Signature of Shareholder / Proxy	

Note:

1. Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

..... CUT HERE

PROXY FORM

RUCHI STRIPS AND ALLOYS LIMITED

Registered Office : 611, Tulsiani Chamber, Nariman Point, Mumbai - 400 021

I/We of
.....

being a member/s of the Company, hereby appoint

of in District of

or failing him of in the District of

or failing him of in the District of

as my/our Proxy to vote for me / our be half at the Twentieth Annual General Meeting of the Company to be held on 29th September 2007 at 12.00 Noon and at any adjournment thereof.

Signed this day of 2007

Affix
Re. 1/-
Revenue
Stamp

PROXY NAME	REGD. FOLIO/DP ID & CLIENT ID	NO. OF SHARE (S)