



38th
ANNUAL REPORT
2007 - 2008

LLOYDS STEEL
INDUSTRIES LIMITED

BOARD OF DIRECTORS

CHAIRMAN MUKESH R GUPTA

MANAGING DIRECTOR RAJESH R GUPTA

DIRECTORS

B. L. AGARWAL

B. RAVINDRANATH (IDBI NOMINEE)

S. K. SINGHAI (IFCI NOMINEE)

K.A. KRISHNA RAO

BANKERS

CENTRAL BANK OF INDIA

STATE BANK OF INDIA

THE FEDERAL BANK LIMITED

PUNJAB & SINDH BANK

ABU DHABI COMMERCIAL BANK LIMITED

AUDITORS

TODARWAL & TODARWAL

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Saki Naka

Andheri (E), Mumbai- 400 072.

Tel No. 022 - 2847 0652 / 53 & 40430200 / 299

Fax : 022 - 2847 5207

E-mail: bss@bigshareonline.com

REGISTERED OFFICE :

Modern Centre,

'B' Wing, 2nd Floor,

Sane Guruji Marg, Mahalaxmi,

Mumbai- 400 011.

WORKS

Steel Plant :-

Lloyds Nagar,

Bhugaon Link Road, Wardha,

Maharashtra, India.

Engg. Plant :-

Plot No. A-5/5 & A6/3,

MIDC Industrial Area,

Murbad. Dist. Thane.

Maharashtra, India.

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NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of M/s. Lloyds Steel Industries Limited will be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, on **Saturday, the 19th July, 2008** at 11.00 a.m. to transact the following business :-

ORDINARY BUSINESS:

1. To consider, approve and adopt the Profit and Loss Account of the Company for the year ended on 31st March, 2008 and the Balance Sheet as on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint Shri Mukesh Gupta, Director who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

By order of the Board,

Date : 27th May, 2008

S. N. Tiwari

Place : Mumbai

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. Documents referred to the Notice are open for inspection at the Registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **Thursday, the 10th day of July, 2008 to Saturday, the 19th day of July, 2008** (both days inclusive).
5. Members desiring any information as regards to Accounts are requested to write 7 days in advance to the Company before the date of the meeting to enable the Management to keep full information ready.
6. Members are requested to bring their copy of Annual Report for the purpose of attending the meeting.

7. Members are requested to kindly notify changes, if any, in their address to the Company's Registrar & Transfer Agent, M/s. Bigshare Services Pvt. Ltd., (Unit : Lloyds Steel Industries Limited) at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
8. Members are requested to quote their Folio No. and DP ID / Client ID, in case of shares are in physical / dematerialized form, as the case may be, in all their correspondence with the Company / Registrar and Share Transfer Agent.

INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT

As required under the Listing Agreement, the particular of Directors who is proposed to be re-appointed is given below:

Name : Mr. Mukesh Gupta

Age : 50 years

Qualification : B. Com.

Expertise : Having over two decades of vast and varied experiences in Steel Industry. He has rich experience in the field of implementation of projects, finance, marketing and procurement of material.

Other Directorship : M/S Lloyds Metals & Engineers Ltd. and M/S Vidarbha Power Limited as Director

By order of the Board,

Date : 27th May, 2008

S. N. Tiwari

Place : Mumbai

Company Secretary

DIRECTORS' REPORT

The Directors present their 38th Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

	Current Year 2007-2008	Previous Year 2006-07
Sales :	247436.29	193204.93
Other income	4110.27	3912.44
Total Income :	251546.56	197117.37
Profit / (Loss) before Interest, Depreciation, Exceptional Item & Tax	5961.25	7896.49
Less : Finance Charges	2501.75	3423.26
Depreciation	11362.26	11251.34
Profit / (Loss) before exceptional items & taxes	(7902.76)	(6778.11)
Add: Exceptional items (Net)	3084.87	
Profit/(Loss) before tax.	(4817.89)	(6778.11)
Tax Provision	35.38	36.08
Profit/(Loss) after Tax	(4853.27)	(6814.19)
Add: Prior Period Income	164.06	307.47
Net Profit/ (Loss)	(4689.21)	(6506.72)
Profit / (Loss) b/f from previous year	(121620.91)	(115114.19)
Balance Carried Forward	(126310.12)	(121620.91)

DIVIDEND

In view of the losses, the Directors have not recommended any Dividend for the year ended 31st March, 2008.

OPERATIONS & OVERALL PERFORMANCE

During the previous year, the Indian steel industry recorded a significant growth of over 12% in consumption while production showing a growth of 5 %, setting a stage for firm trend in steel prices. Globally the steel consumption has been rising on back of a sustained demand within India and other fast developing economies. Considering the strong global outlook, domestic steel companies are augmenting their capacities. However, tight raw materials markets have caused margin compression for producers who do not control their own sources of raw materials. The Company achieved a Turnover of **Rs.2474.36** crores as against Rs.1932.05 crores in the previous year, showing a remarkable increase of **28.06 %**.

The Company incurred a Loss, before exceptional items, of **Rs. 79.08** crores during the year as compared with previous year loss of Rs. 67.78 crores after providing depreciation of Rs.113.62 crores (Previous year Rs.112.51 crores).

DEBT RESTRUCTURING

Restructuring proposals of debts with the Financial Institutions and Banks are under various stages of discussion with the lenders. In accordance with the restructured terms, the Company has paid off **Rs. 82.67** crores during the year towards past Debt liabilities.

Steel Products

Sales of steel products during the year under review has shown growth of 7.64 % over the previous year and has reached a figure of **Rs.2013.65** crores as against the previous year figure of Rs.1870.64 crores. The Export during the year was at **Rs.34.35** Crores as against Rs.276.19 crores recorded during the previous year.

Engineering Products

During the year under review, sales of engineering products has recorded a quantum jump at **Rs. 460.71** crores as compared to the previous year of Rs.61.41 crores. This increase in sales is due to revival of the engineering industry and successful completion of various large projects / orders. The company during the year has successfully executed jobs / projects for Welspun Stahl Rohern Ltd, Punj Lloyds Ltd, GAIL (I) Ltd, Chennai Port trust, Satish Dhawan Space Centre, Bongaigaon Refinery & Petrochemicals Ltd, Indian Oil Corporation Ltd amongst others. During the current year, the company has also successfully commissioned the Pelletization plant for one of its client. It is also notable to mention that the company

has also successfully executed order of Chennai-Port Trust for Marine Loading Arms. The company has also been successful in procuring fresh orders for execution of power projects and continue to support in supply of spares and services to Navy, Coast Guard, Mumbai Port Trust, GRSE and major Oil and Gas sector companies.

MANAGEMENT DISCUSSION AND ANALYSIS

The core business of the Company is manufacturing and marketing Iron and Steel products and manufacturing capital equipments and turnkey projects. The Management discussions and analysis is given hereunder:-

- Industry structure and development :** Steel prices were moving upwardly during the year under review on back of higher prices of coal, iron ore and other raw materials between 1.5 times to 3.7 times which is used for steel production. The Engineering Products of the Company has been approved for its engineering skills/works/services by various premier consulting companies and Inspection Agencies. The company has further been approved by Industrial Boiler Regulatory Authority. The Engineering segment is highly competitive in view of tough competition from foreign companies / agencies and giant public / private sector undertakings. The development of engineering industry depends on the development of core sectors and it is re-assuring to note that business from the infrastructure and other sectors looks promising.
- Opportunities and threats :** Indian domestic steel demand is set to grow exponentially driven by massive investments in infrastructure, automobile, construction, capital goods, consumer durables industries. Expansion plans by domestic players and Greenfield Steel Projects by several international players may boost the demand for steel in the country. Besides this, factors like growing economy, availability of skilled human at cheaper rate, large consumer base may attract the new players to enter into industry. Steel production is expected to grow up to 80 mn tones on the basis of massive capacity additions, by 2011. For engineering products, the company is having existing tie up arrangements with various foreign entities. The major threats for steel industry are rising prices of raw materials necessary for producing the steel products. In addition to this, major obstacles are inadequate availability of suitable quality of coal and high cost of energy / finance.
- Segment-wise performance:** The Company is mainly in the business of manufacturing Steel and Capital Equipments and Turnkey Projects. The Company has no activity outside India except export of steel products manufactured in India. Segment wise performance is given at Note No.19 of Schedule Q i.e. Notes on Accounts.
- Outlook :** The steel production in domestic sector has witnessed a strong growth during the past few years by almost doubling the steel production to approx 53 Million tones (mt). Looking at the strong global outlook for the steel sector, domestic companies are now investing in backward integration to maximize their returns and derisk their finances from fluctuations in the input prices.. During the previous year, steel prices has shown strong upward move particularly during the last quarter of the year under review. The continuous rise in input cost are likely to keep margins under pressure during the current year. The current year prospects continue to be more lucrative and promising for Engineering Industry. The Company is participating on continuous basis in the tenders of major public sector undertaking amongst various other companies.
- Risk and concerns:** In spite of growing demand and increase in production of steel products at domestic and global level during the year under review, there exists imbalance in respect of supply and demand. Delay in implementing the Greenfield Steel projects by major steel producers due to non-availability of sufficient iron ore, coal and land, may increase the prevailing supply demand gap in coming years. Rising prices of the steel products at global level and domestic market may slow down the demand for steel products. The company has been taking continuous modernization programme to maintain efficient operation of its Steel and Engineering activities.
- Internal control system:** The Company maintains periodical internal checks and conduct adequate internal audit, which

provide safeguards and proper monitoring and vetting of transactions. The Company has obtained ISO- 9001: 2000 certification for execution of its works at Murbad, Maharashtra. Necessary quality control systems and procedures have been established to audits to ensure that the Company's control systems are adequately followed and all statutory requirements are complied with. The Company has appointed an Internal Auditor who reports to the Managing Director and Audit Committee of the Board.

- g) **Discussion on financial performance with respect to operating performance:** The operating performance of the Company has been discussed in Directors' Report under the head 'Financial Highlights and Operations and Overall Performance' in the current year.
- h) **Human resources and industrial relations:** During the year under review the Employee/Industrial relations at all units and job sites remained cordial. Training programmes are conducted internally for staff and workmen. Training is imparted for updating of manufacturing techniques / processes. Personnel are sponsored for external programmes on need basis. Morale of the employees remained high. Number of employees as on 31st March, 2008, was 1479.
- i) **Cautionary Statement:** The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking 'statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

RESEARCH AND DEVELOPMENT

The Company undertakes on a continuous basis, various activities such as the development of new products and processes, cost reduction, improvement in quality and productivity and import substitution.

REFERENCE TO BIFR

The Company has filed a reference before the Hon'ble BIFR on 29th June 2001. The reference came to be registered as Case Number 278/2001 as per their communication No. 3(L-7) BC/2001 dated 11th July 2001.

The Hon'ble BIFR vide its order dated 1st March, 2006, after hearing the matter has declared the Company as a sick industrial company in terms of section 3 (1) (o) of SICA and appointed ICICI Bank Ltd. as the Operating Agency to prepare a Draft Rehabilitation Scheme (DRS).

The Company has submitted a Draft Rehabilitation Scheme (DRS) to the ICICI Bank Ltd., OA and the copy of the same is forwarded to the BIFR. After convening lenders meeting and eliciting their views, DRS will be submitted to BIFR.

INVESTOR SERVICES

The Company and its Registrars M/s. Bigshare Services Private Limited who is looking after the physical as well as Demat work and also shareholders correspondence, endeavored their best to service the Investors satisfactorily. Your company has constituted a committee comprising of 3 Senior directors of the Company to redress the Investor grievances.

DIRECTORS

Shri Mukesh R.Gupta, Director of your Company, retire by rotation and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of annual accounts for the financial year ended 31st March 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures.

2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company is listed are complied with.

A separate report on Corporate Governance and the Auditor's Certificate on its compliance are annexed hereto and forms part of this Annual Report.

ENVIRONMENT & SOCIAL OBLIGATION

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment, health and safety. The Company values environmental protection and safety as the major considerations in its functioning. The Company has adequate effluent Treatment Plants to prevent pollution.

The Company is continuously endeavoring to improve the quality of life in the communities surrounding its industrial complex.

PUBLIC DEPOSITS

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

AUDITORS & AUDITORS' REPORT

The members are requested to appoint Auditors and fix their remuneration.

As regards qualification at Sr.No.4 (e) in the Auditors' Report, Directors wish to state that in view of the ongoing discussion for restructuring of the debt and interest liability, the Company has not provided for interest on some loans. Auditors' observations in Clause No. 9 (b), 10 & 11 in the Annexure Audit Report (CARO Report) are self explanatory and do not require further explanation.

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

Information in accordance with Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure 'A' forming part of this report.

PARTICULARS OF EMPLOYEES

A statement pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure 'B' to the Directors Report.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation and gratitude for the assistance and generous support extended by all Government authorities, Financial Institutions, Banks, Customers, Vendors and Members during the year under review. Your Directors wish to express their immense appreciation for the devotion, commitment and contribution shown by the employees of the company while discharging their duties.

For and on behalf of the Board

Dated : 27th May, 2008
Place : Mumbai

Mukesh R Gupta
Chairman

ANNEXURE - A

STATEMENT PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

(A) CONSERVATION OF ENERGY

Engineering Products

Form "A" is not applicable as its activities does not fall under the list of Industries specified in the Schedule attached to Rule 2.

Steel Products

- 1 Replacement of indication bulbs with LED lamps.
- 2 Modification in pipe layout to stop use of 55 KW motor in RHF.
- 3 Conducting Energy Audit to suggest efficient measures to save energy.
- 4 Commencement of use of HV-FO to replace Furnace oil.
- 5 Installation of Auto temperature control system and coolant heaters in one of the CRM Mill.
- 6 Replacement of higher KW exhaust blower motor with lower KW motor in galvanizing line.
- 7 Provision of drive system in CGL soaking zone and provision of heaters for temperature control.
- 8 Complete shutdown of main compressor motors during the shutdown period and use of portable compressor of low capacity motor as and when required.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development (R & D)

Steel Products

1. Specified areas in which R & D carried out by the Company :
 - a) Commencement of manufacturing API Grade X-70 products in particular thickness.
 - b) Development of alloy steel plates with heat treatment for import substitution.
 - c) Improvement in quality of steel products by use of high grade calcined lime and mould flux.
2. Benefits derived as a result of R & D
 - a) Improvement in contribution by producing value added steel products.
 - b) Achievement of good market credibility due to improvement in steel quality.
3. Future plan of action for R & D
 - a) Installation of high capacity and high technology cut to length line to cut coils of particular thickness in plant.
 - b) Installation of equipment for thin organic coatings.
4. Expenditure on R & D
Expenses on R & D Rs. 15.22 Lacs
 - 1) Technology Absorption, Adaptation and Innovation:
The company is planning to install new spectrometer.
 - 2) Benefits.
 - a) Analysis of more elements may be possible resulting in improvement of steel quality.
 - b) It may improve product range and customer base of the company.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Foreign Exchange Earnings and Outgo are as under.

	(Rs in Lacs)	
	2007-2008	2006-2007
(a) Earnings		
Brokerage and Commission		3.00
Exports including Deemed and Third Party	20664.72	29236.55
(b) Outgo		
Traveling /Books Periodicals	78.83	49.34
Imported Raw Materials, Stores & Spares, etc.	19184.09	26804.46
Interest		70.98
Brokerage & Commission	247.26	66.42
Repairs & Maintenance	47.77	72.55
Engineering & Design	123.53	80.35
Others	9.48	19.73

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy:

UNIT	2007-2008	2006-07
A. Power & Fuel Consumption		
1 Electricity		
a) Purchased		
Units	Kwh 478620462	530067600
Total Amount	Rs. 1789648567	2080115142
Rate/Unit	Rs/kwh 3.74	3.92
b) Own Generation		
i) Through Diesel Generator		
Units	Kwh 7352	7296
Units per ltr. of Diesel Oil	Kwh/ltr 1.46	1.33
Cost/Unit	Rs/Kwh 23.68	28.40
ii) Through Steam Turbine /		
	NIL	NIL
2 Coal		
	NIL	NIL
3 Fuel Oil		
a) Furnace Oil		
Quantity	KI 26253	31064
Total Amount	Rs. 495715074	493297778
Average Rate	Rs/KI 18882	15880
b) LDO		
Quantity	KI 981	1408
Total Amount	Rs. 23076937	36687915
Average Rate	Rs/KI 23521	26055
4 Others/Internal Generation		
	NIL	NIL
B. Consumption per unit of production		
1 HR PRODUCTS		
Electricity	kwh/mt 939	903
Furnace Oil	ltr/mt 56	60
LDO	ltr/mt 1.03	1.33
2 GP/GC PRODUCTS		
Electricity	kwh/mt 1198	1196
Furnace Oil	ltr/mt 63	66
LDO	ltr/mt 11	6
3 CR PRODUCTS		
Electricity	kwh/mt 1125	1131
Furnace Oil	ltr/mt 63	67
LDO	ltr/mt 11	6

For and on behalf of the Board

Dated : 27th May, 2008

Mukesh R.Gupta

Place : Mumbai

Chairman

ANNEXURE - B

INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF THE EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

Sr. No.	Name	Designation	Remuneration (Rs in lacs)	Qualification	Age (years)	Experience (years)	Date of joining	Previous Employment
1	Rejesh R. Gupta	Managing Director	25.44	B.Com.	44	22	01.01.1990	Business

Notes :

1. Remuneration includes salary, allowances, leave travel assistance, reimbursement of medical expenses, company's contribution to provident fund and monetary value of other perquisites calculated in accordance with provisions of Income Tax Act, 1961 and rules made there under.
2. The above employee is related to Chairman of the company.
3. The employment of the above employee is regular and subject to the rules and regulations of the company.
4. The employee does not hold more than 2 % of equity paid up capital of the company.

For and on behalf of the Board

Dated : 27th May, 2008

Mukesh R.Gupta

Place : Mumbai

Chairman



CORPORATE GOVERNANCE

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Lloyds Steel Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Lloyds Steel Industries Limited, for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We 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 and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

Dated : 27th May, 2008
Place : Mumbai

SUNIL TODARWAL
Partner
M.No. 32512

NOTE ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to maintain highest level of Corporate Governance with transparency & Corporate Accountability in its actions & operations and to pursue objective that are in the best interest of the Company and its stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has a combination of executive, non-executive and independent Directors.

The Board of Directors of the Company is comprised of :

Promoter Directors	3
Non-executive - Nominee Directors	
Representing IDBI, & IFCI	2
Non-executive Independent Director	1

Attendance of each Director at the Board meetings and the last AGM is as follows.

Director	Category of Directorship	No. of meetings held	No. of Meetings Attended	Last AGM Attended	No. of Directorship on Board of other Companies	No. of Committees where he is a Chairman (C) Member (M)
Mr. Mukesh R. Gupta	Promoter Non-Executive	4	4	Yes	2	1(C) 1(M)
Mr. Rajesh R. Gupta	Promoter Executive	4	4	Yes	2	1(M)
Mr. B. L. Agarwal	Promoter Non-Executive	4	4	Yes	2	1(M)
Mr. B Ravindranath	Independent Nominee	4	4	No	3	NIL
Mr. S K Singhai	Independent Nominee	4	4	No	NIL	NIL
Mr. K.A. Krishna Rao	Independent Non-Executive	4	4	Yes	NIL	NIL

Number of Board of Directors meeting held and the dates on which held:

The Board met 4 (Four) times during the year. The meetings were held on 30th May, 2007, 31st July 2007, 31st October, 2007 and 31st January 2008 respectively.

CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said code has been communicated to the Directors and the Members of the Senior Management Personnel which is also affirmed by them for the financial year ended 31st March, 2008. The declaration to this effect by Managing Director is annexed at the end of this report.

The Code has also been posted on the Company's website at www.lloyds.in.

3. AUDIT COMMITTEE:

a) Terms of Reference:

The role and terms of reference of the Audit Committee covers the areas mentioned in the Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292 A of the Companies Act, 1956, as amended from time to time, besides other matters as may be referred by the Board of Directors. These, inter alia, includes the review of Company's financial reporting process and disclosure of financial information before submission to the Board, review of the adequacy of internal control and audit system and advising the necessary steps to be taken to correct the weaknesses, review of the findings reported by the internal auditors in respect of any fraud or material irregularity and reporting such matters to the Board, review of financial and risk management policies and practices.

b) Composition:

Name	Category	Designation	Remarks
Mr. K. A. Krishna Rao	Independent Director	Chairman	-
Mr. B. L. Agarwal	Promoter Director	Member	-
Mr. B. Ravindranath	Nominee Director	Member	-
Mr. S.K.Singhai	Nominee Director	Member	Appointed as member w.e.f. 31.05.2007

Shri S.N.Tiwari is acting as secretary to the Audit Committee of the Company.

c) No. of Meetings held and attendance thereof during the year

The Committee has met 4 times during the financial year ended 31st March, 2008 i.e. on 30th May 2007, 31st July, 2007, 31st October, 2007 and 31st January, 2008 respectively. The attendance of the members at the meetings is as under:-

Name of Director	No. of Meetings held	No. of Meetings Attended	Remarks
Mr. K. A. Krishna Rao	4	4	-
Mr. B. L. Agarwal	4	4	-
Mr. B. Ravindranath	4	4	-
Mr. S.K.Singhai	4	3	Appointed as member w.e.f. 31.05.2007

4. REMUNERATION COMMITTEE:

❖ Composition

The Company had earlier constituted a Remuneration Committee of the Board comprising of three (3) Non-executive Independent Directors. However, since withdrawal of one nominee director from the Board and consequently the Remuneration Committee, the vacant position is yet to be filled.

❖ Remuneration Policy

The remuneration of Director in all the cases is decided by the Board subject to necessary approval of shareholders, remuneration committee and other applicable approvals, if any. Save and except Mr. Rajesh R. Gupta, Managing Director, no other director is drawing remuneration.

Mr. Rajesh R.Gupta has been appointed for a term of five years w.e.f. 1st January, 2005 and is responsible for day to day affairs of the Company. During the year Mr. Rajesh R Gupta, Managing Director has been paid as per Schedule XIII of the Companies Act, 1956 minimum remuneration of Rs.25.44 Lacs by way of Salary, Perquisites & Contribution to Provident Fund. The remuneration paid to Managing Director from 1st January, 2005 onwards is subject to the approval of Central Government for which necessary application has been made.

All the Directors except Managing Director are in receipt of sitting fees of Rs.1000/- per meeting attended by them as per the provisions of Articles of Association of the Company.

❖ **Details of shares held by Non-Executives directors in their own name as on 31st March, 2008.**

S.No.	Name of the Director	No. of Equity shares held (Face value Rs.10/- each)
1.	Mr. Mukesh Gupta	10434
2.	Mr. B.L.Agarwal	NIL
3.	Mr. B.Ravindranath	NIL
4.	Mr. S.K.Singhai	NIL
5.	Mr. K.A. Krishna Rao	5000

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted the Share Transfer & Investor Grievance Committee comprising of 3 Directors. Mr. Mukesh R. Gupta, Mr. B. L. Agarwal and Mr. Rajesh R Gupta are the members of this committee. The Committee is headed by Mr. B L Agarwal, a non executive director.

The Committee oversees the performance of the Registrar and Share Transfer Agents', recommends measures to improve the level of investor services and matters pertaining to shareholders' complaints and grievances e.g. non-receipt of annual report, non-receipt of dividend warrant, change of address etc...

The Board has designated Shri S. N. Tiwari, Company Secretary, as the Compliance Officer.

The Company has incorporated a grievance redressal division for the purpose of registering complaints by investors and for its speedy disposal. The investors may therefore be requested to send their grievance on, investor@lloyds.in.

The Committee meets fortnightly for the approval of the share transfers / issue of duplicate shares / replacements etc.

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year are as follows:-

Description	Received	Replied
Direct	366	366
Bombay Stock Exchange	15	15
SEBI Complaints	20	20
MCA	3	3
Investor's Association	1	1
TOTAL	405	405

6. GENERAL BODY MEETING:

a. Location & Time for last 3 Annual General Meeting were :

Year	Location	Date	Time
2004-2005	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018.	06.08.2005	11.00 a.m.
2005-2006	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018.	05.08.2006	11.00 a.m.
2006-2007	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018.	04.08.2007	11.00 a.m.

b. Whether any special resolution was passed in the previous 3 AGM s: Yes

c. Whether any special resolution passed last year through Postal Ballot: Not Applicable

7. DISCLOSURES :

a) Disclosure on Materially Significant Related Party Transaction i.e. Transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc that may have potential conflicts with the interest of the company at large :

There are no such transactions during the year.

b) Details of Non-Compliance by the Company, Penalties, Strictures imposed on the Company by Stock exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years:

There has been no instance of non-compliance by the company on any matter related to capital markets during the last 3 years, however the SEBI has cautioned the company vide its letter dtd. May 14, 2008 for being diligent in connection with submission of shareholding pattern to the Stock Exchanges.

c) Whistler Blower Policy and affirmation that No Personnel has been denied access to the Audit committee.

No Personnel has been denied access to the Audit committee.

d) Details of Compliance with Mandatory requirements and Adoption of the Non-mandatory requirements of this clause:

The Company has complied with all the Mandatory requirements. As regards the Non-mandatory requirements, they have been complied with to the extent possible.

8. CEO/CFO CERTIFICATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges the Managing Director of the Company has certified to the Board in compliance with the Clause 49 (V) regarding CEO/CFO certification.

9. MEANS OF COMMUNICATION:

The Quarterly/Half yearly and the Annual Results are published in Navshakti and Free Press Journals and displayed on the Company's website at www.lloyds.in.

10. GENERAL SHAREHOLDER INFORMATION:

1 Annual General Meeting	
Date	Saturday, 19th July, 2008
Venue	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018.
Time	11.00 a.m.
2 Financial Calendar (tentative)	
Results for quarter ending 30.06.2008	Fourth Week of July 2008
Results for half year ending 30.09.2008	Fourth week of October 2008
Results for quarter ending 31.12.2008	Fourth week of January 2009
Results for year ending 31.03.2009	Fourth week of May 2009
3. Book Closure Date	Thursday, 10th July, 2008 to Saturday, 19th July, 2008 (both days inclusive)
4. Dividend Payment date	Not declared
5. Listing of Equity Shares on Stock Exchanges at	Bombay Stock Exchange, Mumbai National Stock Exchange, Mumbai.
6. Stock Code	500254 - Bombay Stock Exchange LLOYDSTEEL - National Stock Exchange of India ISIN No.: INE292A01015

7. Stock Market Data

Bombay Stock Exchange

	(BSE)	(In.Rs.)	BSE Sensex
	High	Low	Close
April 2007	9.83	7.95	13872.37
May 2007	11.74	9.00	14544.46
June 2007	10.70	9.00	14650.51
July 2007	11.09	8.95	15550.99
Aug 2007	11.62	8.50	15318.60
Sept 2007	15.40	11.30	17291.10
Oct. 2007	16.60	12.02	19837.99
Nov. 2007	24.13	11.90	19363.19
Dec 2007	40.85	24.50	20286.99
Jan 2008	38.70	17.50	17648.71
Feb.2008	20.65	14.70	17578.72
Mar 2008	16.00	10.15	15644.44

8. Registrar and Transfer Agents (share transfer and communication regarding share certificates, dividends and change of address)

Bigshare Services Private Limited.
(Unit : Lloyds Steels Industries Limited)
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai- 400 072.
Tel. No. 022-28470652/53 & 40430200/299
Fax No. 022-2847 5207

9 Share Transfer System

Share transfer requests are registered within an average period of 25 to 30 days from the date of receipt. Share transfer requests received in physical form with demat request have been discontinued from February 2004 in terms of SEBI directive.

10 Distribution of shareholding as on 31st March, 2008

Promoters	20.43
Financial Institutions/ Banks	3.76
MFs/UTI	00.51
FII	00.22
Others	75.08
TOTAL	100.00

No. of Shares Held	No. of Shareholders		No. of Shares Held	
	Total	% of Total	Total	% of Total
1 - 500	160408	84.47	33616137	17.49
501 - 1000	19002	10.00	15135650	7.87
1001 - 2000	5809	3.06	8978304	4.68
2001 - 3000	1591	0.84	4115644	2.15
3001 - 4000	687	0.36	2491588	1.30
4001 - 5000	771	0.41	3726473	1.94
5001 - 10000	850	0.45	6599814	3.43
10001 and Above	788	0.41	117442761	61.14
Total	189906	100.00	*192106371	100.00

Note : * Excludes 446321 Forfeited shares of Rs. 10/- each.

11 Dematerialisation of Shares & Liquidity

Over 83.81% of the outstanding shares have been dematerialised, upto 31st March, 2008.

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 08.05.2000 as per notification issued by the Securities and Exchange Board of India. Company's Shares are actively traded on the Bombay Stock Exchange & National Stock Exchange of India Limited, Mumbai.

12 Outstanding Warrants and convertible Bonds, Conversion date and likely impact on the Equity

Not Applicable

13 Plant Locations

Steel Plant:-

Lloyds Nagar, Bhugaon Link Road,
Wardha- 442 001,
Maharashtra, India..

Engg. Plant:-

Plot No. A-5/5 & A6/3, MIDC Industrial Area,
Murbad, Dist. Thane, Maharashtra, India.

14 (I) Investor Correspondence

For transfer / dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company.

Bigshare Services Private Limited.

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka
Andheri (E), Mumbai- 400 072.

Tel. No. 022-28470652/53 & 40430200 / 299
Fax No. 022- 2847 5207

E-mail : bss@bigshareonline.com

(II) Any query on Annual Report

Secretarial Department

Lloyds Steel Industries Limited
Modern Centre, 'B' Wing, 2nd
Floor, Sane Guruji Marg,
Mahalaxmi,
Mumbai- 400 011.
Tel. No. 022- 3041 8111
Fax No. 022- 3041 8260
E Mail : investor@lloyds.in

DECLARATION

* I, Rajesh R. Gupta, Managing Director of Lloyds Steel Industries Limited, do hereby declare and confirm that all the Board members and Senior Management Personnel have affirmed the compliance of the code of conduct for the year ended 31st March, 2008 laid down by the Board and which is placed before the Board.*

For & On behalf of the Board,

Date : 27th May, 2008

Rajesh R. Gupta

Place : Mumbai

Managing Director



AUDITORS' REPORT

TO THE MEMBERS OF LLOYDS STEEL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Lloyds Steel Industries Limited as at March 31, 2008 and the related Profit and Loss Account and Cash Flow for the year ended on that date, annexed thereto, both of which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the 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 Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors' Report) (Amendment) Order, 2004 (together 'the order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, of India (the Act) and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 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;
 - (c) The Balance Sheet, Profit and 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 and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act;
 - (e) *The company has not provided interest amounting to Rs. 20,556.61 lacs (till date Rs. 86,508.66 lacs). Had the same been considered the loss for the year after taxation would have been Rs. 25,245.82 lacs (as against the reported figure of loss of Rs. 4,689.21 lacs) and the accumulated loss would have been Rs.212,818.78 lacs (as against the reported loss of Rs. 126,310.12 lacs)*
 - (f) On the basis of the written representations received from the Directors and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

- (g) In view of the foregoing paragraphs, in our opinion and to the best of our information and according to the explanations given to us, and subject to point 4 (e), regarding non provision of interest above the Balance Sheet, Profit and Loss Account and Cash flow together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

Dated : 27th May, 2008
Place : Mumbai

Sunil Todarwal
Partner
M. No. - 32512

ANNEXURE TO AUDITORS' REPORT

[Referred to in Paragraph 3 of the Auditor's Report of even date to the Members of Lloyds Steel Industries Limited on the Financial Statements for the year ended 31st March 2008]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off during the year to affect the going concern status of the Company.
2. (a) Inventory (excluding stocks with third parties) has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion, 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) In our opinion and according to the information & explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to information and explanation, the Company has not taken secured or unsecured loans from companies, firms, parties covered in the register maintained under Section 301 of the Act. The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

In view of the above, clauses 3(b), (c), (d), (e), (f) and (g) are not applicable to the company.

4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. (a) On the basis of our examination of the books of account, we are of the opinion that the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been entered in the said register.
(b) In our opinion, and according to the information & explanation given to us, the transactions made during the year with parties covered under Sec.301 of the Act have been at prices which are reasonable, having regard to the prevailing market price for such goods and materials or prices at which transaction for similar goods or material have been made with other parties.
6. According to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion and according to information and explanation given to us, the Company's present internal audit system is commensurate with its size and the nature of its business.
8. We have Broadly reviewed the books of accounts maintained by the company in respect of Steel division, where, pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s. 209(1) (d) of the Companies Act, 1956. We are of the view that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of Provident fund, Profession tax, Income Tax, Sales Tax, Value added tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
(b) According to the records of the Company, the disputed dues in respect of Excise Duty of Rs. 223.64 lacs (Previous year Rs.427.26 Lacs) and Sales Tax of Rs. 31.21 lacs (Previous year Rs.31.21 lacs) as at March 31, 2008 have not been deposited with appropriate authorities and no provision has been made for the same.

Sr. No.	Name of the Statute	Amount (In Lacs)	Forum where dispute is pending
1	The Central Excise Act, 1944	43.38	Chief Commissioner of Appeals
		45.06	Assistant Commissioner
		113.07	Commissioner
		14.90	Deputy Commissioner
		7.23	High Court
Total		223.64	
2	State & Central Sales Tax Acts.	28.65	Gujarat Sales Tax Tribunal
		2.56	Mumbai Sales Tax Tribunal
Total		31.21	

- 10 The Company's accumulated losses at the end of the financial year are not less than fifty percent of its net worth and it has not incurred cash losses in the financial year under audit, however, in the immediately preceding financial year the Company has incurred cash losses.
- 11 According to the records of the Company, and as informed to us, the dues to Lenders are under various stages of restructuring process. Amount of default aggregating to Rs.32758.92 lacs is outstanding since 1996-97 & Rs.14159.96 lacs during the year.
- 12 According to information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13 In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it.
- 14 According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institution during the year.
- 16 As per information given to us, no fresh term loans have been taken by the Company during the year.
- 17 On the basis of overall examination of the Balance Sheet of the Company and according to information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investments.
- 18 According to information and explanation given to us, the Company has not made any preferential allotment of shares during the year.
- 19 According to information and explanation given to us, the company has not issued any fresh debenture during the year.
- 20 According to information and explanation given to us, the Company has not raised any money by public issue during the year.
- 21 During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

Dated : 27th May, 2008

Place : Mumbai

Sunil Todarwal
Partner
M. No. - 32512

BALANCE SHEET AS AT 31ST MARCH, 2008

(Rupees In Lacs)

PARTICULARS	Schedule	AS AT	AS AT
		31.03.2008	31.03.2007
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	'A'	42742.16	42549.05
(b) Reserves & Surplus	'B'	42591.38	41490.66
		85333.54	84039.71
2. LOAN FUNDS			
(a) Secured Loans	'C'	125598.64	136033.25
(b) Unsecured Loans	'D'	1668.53	1806.54
		127267.17	137839.79
TOTAL		212600.71	221879.50
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	'E'		
Gross Block		225821.06	223701.10
Less: Depreciation		121619.82	110274.30
Net Block		104201.24	113426.80
2. INVESTMENTS	'F'	250.26	250.00
3. CURRENT ASSETS, LOANS & ADVANCES	'G'		
(a) Inventories		18789.29	30179.15
(b) Sundry Debtors		12440.73	12311.64
(c) Cash & Bank Balances		2788.89	1777.23
(d) Loans & Advances		18986.11	17427.62
		53005.02	61695.64
Less: Current Liabilities	'H'	71165.93	75535.27
NET CURRENT ASSETS		(18160.91)	(13839.63)
4. MISCELLANEOUS EXPENDITURE	'I'		421.42
5. PROFIT & LOSS ACCOUNT		126310.12	121620.91
TOTAL		212600.71	221879.50
Notes forming part of Accounts.	'Q'		

As per our Report of even date attached

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

SUNIL L. TODARWAL
Partner
M. No. - 32512

S. N. TIWARI
Company Secretary

For and on behalf of the Board

RAJESH R. GUPTA
Managing Director

MUKESH R. GUPTA
Chairman

Date : 27th May, 2008

Place : Mumbai



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rupees In Lacs)

PARTICULARS	Schedule	AS AT	AS AT
		31.03.2008	31.03.2007
INCOME			
(a) Sales including job work		247436.29	193204.93
(b) Other Income	'J'	4110.27	3912.44
		251546.56	197117.37
EXPENDITURE			
(a) Raw Materials Consumed/Sold & Other Materials	'K'	184010.88	129160.20
(b) Excise Duty		26971.55	20648.91
(c) Personnel	'L'	3672.61	3476.41
(d) Manufacturing & Asset Maintenance	'M'	22720.95	24410.14
(e) Administrative & other Expenses	'N'	1222.69	1783.68
(f) Selling & Distribution Expenses	'O'	6565.21	9269.26
(g) Preliminary / Issue / Deferred Expenses Written Off		421.42	472.28
		245585.31	189220.88
PROFIT / (LOSS) BEFORE INTEREST, DEPRECIATION & TAX		5961.25	7896.49
Interest & Financial Charges (Net)	'P'	2501.75	3423.26
PROFIT / (LOSS) BEFORE DEPRECIATION & TAX		3459.50	4473.23
Depreciation		11362.26	11251.34
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEM & TAX		(7902.76)	(6778.11)
Add: Exceptional Items (Net)		3084.87	-
PROFIT / (LOSS) BEFORE TAX		(4817.89)	(6778.11)
Fringe Benefit Tax		35.38	36.08
PROFIT / (LOSS) AFTER TAX		(4853.27)	(6814.19)
Add : Prior period income (net)		164.06	307.47
NET PROFIT / (LOSS) FOR THE YEAR		(4689.21)	(6506.72)
Add : Profit / (Loss) B/F from previous year.		(121620.91)	(115114.19)
BALANCE CARRIED TO BALANCE SHEET		(126310.12)	(121620.91)
Basic & Diluted Earning Per Share (Rs.)		(4.10)	(3.52)
Notes forming part of Accounts.	'Q'		

As per our Report of even date attached

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

For and on behalf of the Board

SUNIL L. TODARWAL
Partner
M. No. - 32512

S. N. TIWARI
Company Secretary

RAJESH R. GUPTA
Managing Director

MUKESH R. GUPTA
Chairman

Date : 27th May, 2008
Place : Mumbai



SCHEDULES

SCHEDULES "A TO Q" ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rupees In Lacs)

SCHEDULE A : SHARE CAPITAL

AUTHORISED

20,00,00,000 Equity Shares of Rs.10/- each
(Previous Year 20,00,00,000 Equity Shares of Rs.10/- each)
25,00,00,000. Preference Shares of Rs.10/- each
(Previous Year 25,00,00,000 Preference Shares of Rs.10/- each)

TOTAL

ISSUED, SUBSCRIBED & PAID-UP

Equity Share Capital :

19,21,06,371 Equity Shares of Rs.10/-each fully
paid up (P.Y.19,21,06,371 Equity Shares
of Rs.10/-each fully paid up)
Less: Calls - in - Arrears
Add : 446321 Forfeited Shares (Amount originally received)

Preference Share Capital:

23,62,75,420 Redeemable Preference Shares of Rs. 10/- each fully paid up
(PY 23,62,75,420 Redeemable Preference Shares of Rs. 10/- each)

TOTAL

Note: The Redeemable Preference Shares will be redeemed with a premium of 11.50 % in 6 (Six) Annual Instalments commencing from financial year 2016.

SCHEDULE B : RESERVES & SURPLUS

Capital Reserve

Balance as per last Balance Sheet
Add: Transfer during the Year

Debenture Redemption Reserve

Balance as per last Balance Sheet

Share Premium Account

Balance as per last Balance Sheet
Less : Calls - in - Arrears

TOTAL

SCHEDULE C : SECURED LOANS

1. Long Term Loans

(a) From Banks :

Rupee Loan

(b) From Financial Institutions

Rupee Loan

(c) Interest Accrued and Due

2. (a) Debentures (Non Convertible)

(i) 150000 14% Privately Placed Secured Redeemable
Non-Convertible Debentures of Rs.100/-each issued in the year 1989
(ii) 200000 14% Privately Placed Secured Redeemable
Non-Convertible Debentures of Rs.100/-each issued in the year 1990
(iii) 500000 18.5% Privately Placed Secured Redeemable
Non-Convertible Debentures of Rs.100/-each issued in the year 1993
(iv) 2500000 18.5% Privately Placed Secured Redeemable
Non-Convertible Debentures of Rs.100/-each issued in the year 1995

	AS AT 31.03.2008	AS AT 31.03.2007
	20000.00	20000.00
	25000.00	25000.00
TOTAL	45000.00	45000.00
	19210.64	19210.64
	114.95	308.06
	18.93	18.93
	19114.62	18921.51
	23627.54	23627.54
TOTAL	42742.16	42549.05
	2660.44	2660.44
	598.64	-
	3259.08	2660.44
	1902.00	1902.00
	37728.50	37728.50
	298.20	800.28
	37430.30	36928.22
TOTAL	42591.38	41490.66
	42780.15	44140.95
	24552.09	26082.08
	4668.08	4656.31
	72000.32	74879.34
	46.40	46.40
	100.00	100.00
	500.00	500.00
	2100.00	2100.00



SCHEDULES

(Rupees In Lacs)

- (v) 700000 19 % Privately Placed Secured Redeemable Non-Convertible Debentures of Rs.100/-each issued in the year 1998
- (vi) 400000 18% Privately Placed Secured Redeemable Non-Convertible Debentures of Rs.100/-each issued in the year 1998
- (vii) 5000000 17% Privately Placed Secured Redeemable Non-Convertible Debentures of Rs.100/-each issued in the year 1999
- (viii) 1600000 17% Privately Placed Secured Redeemable Non-Convertible Debentures of Rs.100/-each issued in the year 2000

Add: Interest Accrued and Due

(b) Optionally Fully Convertible Debentures

3. Working Capital from Banks

(Cash Credit / Working Capital Demand Loan).

TOTAL

AS AT 31.03.2008	AS AT 31.03.2007
700.00	700.00
125.00	125.00
5000.00	5000.00
1600.00	1600.00
10171.40	10171.40
6132.14	6132.14
16303.54	16303.54
5100.00	5100.00
32194.78	39750.37
125598.64	136033.25

NOTES TO SCHEDULE C:

1. a. Long Term Loans referred to in 1(a) and 1(b) above, are secured by way of hypothecation of all the movables except book debts, including movable machinery, machinery spares, tools and accessories, present and future, subject to prior charges created and/or to be created in favour of the Company's Bankers for Working Capital facilities.

b. (i) Long Term Loans referred to in 1(a) and 1(b) above, to the extent of **Rs. 60655.60 lacs**, are also secured by way of first mortgage and charge on Company's immovable properties, both present and future (excluding Staff Quarters at Dombivili/Wardha), ranking pari passu with other First Charge holders, subject to prior charge on specific equipments hypothecated to Banks for deferred credits and SBI Home Finance Limited for housing colonies for the employees at Wardha and specified movables, both present and future, hypothecated to Banks for Working Capital.

(ii) Long Term Loans referred to in 1(a) and 1(b) above, to the extent of **Rs. 2859.50 lacs**, are also secured by way of first mortgage and charge on Company's immovable properties situated at Wardha, both present and future (excluding Staff Quarters at Dombivili/ Wardha), ranking pari passu with other First Charge holders, subject to prior charge on specific equipments hypothecated to Banks for deferred credits and SBI Home Finance Limited for housing colonies for the employees at Wardha and specified movables, both present and future, hypothecated to Banks for Working Capital.

c. Long Term Loans referred to in 1(a) and 1(b) above, to the extent of **Rs 5298.15 lacs**, are to be secured by way of first mortgage and charge on Company's immovable properties, both present and future (excluding Staff Quarters at Dombivili/ Wardha), ranking pari passu with other First Charge holders, subject to prior charge on specific equipments hypothecated to Banks for deferred credits and SBI Home Finance Limited for housing colonies for the employees at Wardha and specified movables, both present and future, hypothecated to Banks for Working Capital.

d. The Term Loans of **Rs. 353.97 lacs** from SBI Home Finance Limited are secured by exclusive mortgage of the housing colony situated at Wardha.

2. a. Non-Convertible Debentures/ Bonds referred to in 2 above are secured / to be secured by way of first mortgage and charge on Company's immovable properties, both present and future

(excluding Staff Quarters at Dombivili/ Wardha), ranking pari passu with other First Charge holders, subject to prior charge on specific equipments hypothecated to Banks for deferred credits and SBI Home Finance Limited for housing colonies for the employees at Wardha and specified movables both present and future, hypothecated to Banks for Working Capital..

b. (i) The Debentures referred in 2 (a) (i) above are redeemable in five equal annual instalments beginning from the end of the fifth year from the date of Allotment i.e. August 08,1989. The premium of 5% is payable alongwith the third instalment at the end of seventh year from the date of Allotment.

(ii) The Debentures referred in 2 (a) (ii) above are redeemable in five equal annual instalments beginning from the end of the fifth year from the date of Allotment i.e. June 29, 1990. The premium of 5% is payable alongwith the third instalment at the end of seventh year from the date of Allotment.

(iii) The Debentures referred in 2 (a) (iii) above are redeemable in five equal annual instalments beginning from the end of the fifth year from the date of Allotment i.e. November 30,1993. The premium of 5% is payable alongwith the third instalment at the end of seventh year from the date of Allotment.

(iv) The Debentures referred in 2 (a) (iv) above are redeemable in three equal annual instalments commencing from the end of the sixth year from the date of Allotment as below:

Date of Allotment	Amount in Lacs
December 12, 1995	125.00
January 1, 1996	900.00
January 2, 1996	75.00
January 4, 1996	100.00
January 16, 1996	500.00
May 16, 1996	400.00

(v) The Debentures referred in 2 (a) (v) above are redeemable in 4 equal yearly instalments from the end of 3rd year from date of allotment i.e. April 3, 1998 and ending on 6th year of allotment.

NOTES TO SCHEDULE C:

- (vi) The Debentures referred in 2(a)(vi) above are redeemable in 32 equal quarterly instalments from March 15, 2002 to Dec 15, 2009.
- (vii) The Debentures referred in 2(a)(vii) above are redeemable in 32 equal quarterly instalments from April 2002 to January 2010.
- (viii) The Debentures referred in 2(a)(viii) above are redeemable in 32 equal quarterly instalments from April, 2002 to January 2010.
- (ix) The Optionally Fully Convertible Debentures referred to in 2(b) above are redeemable in three equal instalments in the 7th, 8th and 9th year from the date of allotment with an option to the lender to convert the OFCDs into preference shares within 18 months of allotment. i.e. (a) Rs 27 crores allotted on 28th April, 1999 (b) Rs 12 crores

allotted on 30th September, 1999 and (c) Rs 12 crores allotted on 15.1.2000.

- c. Debentures referred to in 2(a) & 2(b) above include debentures of Rs. 11894.06 lacs matured for redemption
3. Cash Credit from Bank is secured against hypothecation of Raw Materials, Work-in-process, Finished Goods, Stores & Spares, Book Debts etc., and by way of Second Charge on Company's immovable properties, and also guaranteed by some of the Directors of the Company.
4. i) The loan mentioned in 1 above includes non interest bearing loans of Rs. 36631.50 lacs as per the loan restructuring terms.
- ii) The loans Mentioned in 3 above includes non interest bearing loans of Rs.1528.70 lacs as per the loan restructuring term.

(Rupees In Lacs)

SCHEDULE D : UNSECURED LOANS

(a) From Financial Institutions

- (i) UTI (STL)
- (ii) Capital Subsidy Loan (SICOM)
- (iii) Sales Tax Deferral Loan (SICOM)
- (iv) Interest Accrued and Due
- TOTAL

AS AT 31.03.2008	AS AT 31.03.2007
561.45	561.45
19.05	19.05
405.90	543.91
986.40	1124.41
682.13	682.13
1668.53	1806.54

Notes :

- i) Short Term Loan from Unit Trust of India Rs. 561.45 lacs (Previous year Rs. 561.45 lacs) is guaranteed by some of the Directors of the Company.
- (ii) Amount repayable within one year Rs. 633.52 lacs (Previous year Rs. 706.27 lacs)

SCHEDULE E : FIXED ASSETS

(Rupees in lacs)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2007	Additions during the year	Discarded/Sold during the year	As at 31.03.2008	Provided Upto 01.04.2007	Provided during the year	Written back during the year	Total upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
1	Land	435.86	0.00	0.00	435.86	0.00	0.00	0.00	0.00	435.86	435.86
2	Building	4685.12	22.61	19.20	4688.53	1106.40	90.75	7.28	1189.87	3498.66	3578.72
3	Plant & Machinery	212459.10	2069.77	4.81	214524.06	107258.58	11151.56	4.56	118405.58	96118.48	105200.52
4	Computers	761.58	97.93	0.52	858.99	697.27	17.57	0.09	714.75	144.24	64.31
5	Electrical Installations	86.57	0.00	0.00	86.57	73.18	3.78	0.00	76.96	9.61	13.39
6	Office Equipment	308.02	4.27	2.31	309.98	183.37	15.08	0.57	197.88	112.10	124.65
7	Furniture & Fixtures	501.64	7.04	0.00	508.68	370.61	31.08	0.00	401.69	106.99	131.03
8	Motor Vehicles	67.88	68.21	9.74	126.35	22.98	6.71	4.23	25.46	100.89	44.90
9	Railway Siding	958.15	5.73	0.00	963.88	561.91	45.72	0.00	607.63	356.25	396.24
	Total	220263.92	2275.56	36.58	222502.90	110274.30	11362.25	16.73	121619.82	100883.08	109989.62
	Capital Work -in-Progress	3437.18	208.04	327.06	3318.16					3318.16	3437.18
	Total	223701.10	2483.60	363.64	225821.06	110274.30	11362.25	16.73	121619.82	104201.24	113426.80
	Previous Year	221671.96	2587.01	557.88	223701.10	99028.66	11251.34	5.71	110274.30	113426.80	

SCHEDULES

(Rupees In Lacs)

SCHEDULE F : INVESTMENTS (At Cost)

Shares (Unquoted)

	AS AT 31.03.2008	AS AT 31.03.2007
10000000 Equity Shares of Rs.2.50/-each of Aristo Realty Developers Ltd (Previous Year 10000000 Equity Shares of Rs. 2.50/- each)	250.00	250.00
2600 Equity Shares of Rs.10/-each of Indrajit Infrastructure Pvt.Ltd (Previous Year Nil)	0.26	-
TOTAL	250.26	250.00

SCHEDULE G : CURRENT ASSETS, LOANS AND ADVANCES

(a) INVENTORIES

Stores and Spare Parts	6397.14	6269.60
Fuel & Gases	167.22	109.94
Stock-in-Trade :		
Raw Materials	2337.59	3001.78
Finished Goods	3789.34	5276.77
Work in Process/Semi Finished	5872.79	15207.85
Scrap Materials	225.21	313.21

(b) SUNDRY DEBTORS

(Unsecured, considered good)		
Exceeding six months	615.38	744.47
Others	11825.35	11567.17
	12440.73	12311.64

(c) CASH & BANK BALANCES

Cash balance on hand	10.81	9.63
Bank Balance :		
With Scheduled Banks-		
1. In Current accounts	463.37	360.69
2. Margin Account	1406.37	755.26
3. Cheques on hand / Remittance in Transit	908.34	651.65
	2788.89	1777.23

(d) LOANS & ADVANCES

(Unsecured and Considered good)		
Advances recoverable in cash or in kind or for value to be received	14035.83	14539.13
Deposits with Govt.Dept.and others	4900.42	2865.67
Advance Income Tax and Income Tax deducted at source	49.86	22.82
	18986.11	17427.62
TOTAL	53005.02	61695.64

SCHEDULE H : CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Sundry Creditors	49164.10	45404.50
Acceptances	-	56.32
Advances against orders received	18971.59	24163.97
Current Account Overdrawn	464.46	-
Interest accrued but not due	93.91	89.82
Other liabilities	1468.66	4996.26
Provisions		
Provision for Leave Encashment & Gratuity	1003.21	824.39
TOTAL	71165.93	75535.27

SCHEDULE I : MISCELLANEOUS EXPENDITURE

(To the extent not adjusted or w/off)

Equity / Debenture Issue Expenses	-	421.42
TOTAL	-	421.42

SCHEDULES

(Rupees In Lacs)

SCHEDULE J : OTHER INCOME

Rent Receipts	1.02	0.96
Profit on sale of Fixed Assets	12.34	-
Dividend Income	-	0.28
Sundry Balance Write Back / Write off (Net)	122.15	101.02
Miscellaneous Receipts	3974.76	3810.18
TOTAL	4110.27	3912.44

SCHEDULE K : RAW MATERIALS CONSUMED / SOLD & OTHER MATERIALS

Consumption of :		
Raw Materials	141747.30	104774.02
Production Consumables, Stores & Spares	23081.16	19928.44
Petroleum Products (Fuel)	8271.94	9237.20
(Increase) / Decrease in Stocks		
Opening Stock :		
Finished Goods	5276.77	4334.12
Work in Process/Semi finished Goods	15207.84	11154.97
Scrap	313.21	529.27
Less:	20797.82	16018.36
Closing Stock :		
Finished Goods	3789.34	5276.77
Work in Process/Semi finished Goods	5872.79	15207.84
Scrap	225.21	313.21
	9887.34	20797.82
(Increase) / Decrease in Stocks	10910.48	(4779.46)
TOTAL	184010.88	129160.20

SCHEDULE L : PERSONNEL

Salaries, Wages, & Bonus	3367.58	3245.79
Employer's Contribution to Provident Fund and Other Funds	212.89	163.20
Staff Welfare/workmen Expenses	92.14	67.42
TOTAL	3672.61	3476.41

SCHEDULE M : MANUFACTURING & ASSET MAINTENANCE

Electricity & Water Charges	17956.14	20847.15
Repairs & Maintenance -		
Plant & Machinery	790.05	540.47
Buildings	20.65	10.20
Others	22.10	15.42
Engineering & Processing charges	1360.46	770.53
Insurance (Net)	224.80	284.38
Freight, Transport, Clearing	277.04	257.94
Misc. expenses for production	2069.71	1684.05
TOTAL	22720.95	24410.14

SCHEDULE N : ADMINISTRATIVE & OTHER EXPENSES

Travelling & Conveyance Expenses	357.35	230.27
Postage, Telephone & Telex	74.43	76.06
Printing & Stationery	30.12	32.98
Professional Fees	269.25	235.18
Rent	5.28	5.43
Rates & Taxes	25.80	27.39
Auditors' Remuneration :		
For Audit	2.25	2.25
For Tax Audit	0.50	0.75
For Other services	0.37	1.09
Sitting Fees to Directors	0.29	0.30
Vehicle Hire & Maintenance Charges	71.66	64.90
Sundry Expenses	385.39	353.30
Investment Depletion A/c	-	750.00
Loss on Sale of Fixed Assets (Net)	-	3.78
TOTAL	1222.69	1783.68

SCHEDULE O : SELLING & DISTRIBUTION EXPENSES

Commission & Brokerage	751.29	969.99
Freight Outwards	5746.30	8233.47
Other Selling Expenses	67.62	65.80
TOTAL	6565.21	9269.26

SCHEDULES

(Rupees In Lacs)

SCHEDULE P : INTEREST & FINANCIAL CHARGES

Finance Charges :

Bills Discounting Charges
Bank Charges & Commission
Forex Difference
Others

Interest :

On Term Loans
On Working Capital
On Others

Less : Interest Received

TOTAL

AS AT 31.03.2008		AS AT 31.03.2007	
543.58		726.92	
332.56		479.32	
(237.76)		(307.27)	
246.32	884.70	370.64	1269.61
1210.23		1572.21	
1244.50		1059.30	
1078.72	3533.45	762.99	3394.50
	4418.15		4664.11
	1916.41		1240.85
	2501.75		3423.26

SCHEDULE Q : NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008, AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

(1) Significant Accounting Policies :

(a) System of Accounting:-

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The Company accrues individual items of Income/ Expenses above Rs.5000/- per item.

(b) Fixed Assets:-

- Fixed Assets are valued at cost net of CENVAT, unless revalued, for which proper disclosure is made.
- All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress

(c) Depreciation :-

- Depreciation on the assets acquired prior to 2nd April, 1987 is provided on the straight line method as prescribed under Section 205 (2)(b) of the Companies Act, 1956, prior to the amendment enacted vide the Companies (Amendment) Act, 1988. Accordingly, in respect of all the assets acquired prior to 2nd April, 1987, the depreciation is provided for the year as per equivalent straight line method rates based on the depreciation rates prescribed under the Income Tax rules prevalent at the relevant time.
- In respect of the assets acquired after 2nd April, 1987 and upto 19th December, 1993, the depreciation has been provided on straight line method as per Schedule XIV of the Companies Act, 1956. In respect of Plant & Machinery acquired after 19th December, 1993, the depreciation has been provided on straight line method as per Amendment to Schedule XIV vide Notification No. G.S.R. 756 (E), dated 16/12/93 issued by the Department of Company Affairs.
- Depreciation provided in respect of assets put to use during implementation of ongoing projects have been included in pre-operative expenses.

(d) Revenue Recognition :-

Sales/Income in case of contracts/orders spreading over more than one financial year are booked to the extent of work billed. Sales include export benefits & net of sales return & trade discounts. Export benefits accrue on the date of export, which are utilized for custom duty free import of material / transferred for consideration.

(e) Inventories :

The general practice adopted by the company for valuation of inventory is as under:-

Tools and equipments : At cost or disposable value whichever is less.

Engineering Plant

Finished Goods : At contract price.

Steel Plant Finished Goods : At cost price or market value whichever is lower.

Finished Goods at the end : At net realizable value of trial run

Scrap material : At net realizable value.

Stores and spares, raw materials : At cost

Work-in-process/ semi-finished goods : At cost.

(f) Excise Duty :

The Excise duty payable on finished goods dispatches is accounted on the clearance thereof from the factory premises. Excise duty is provided on the finished goods lying at the factory premises and not yet dispatched as per the Accounting Standard 2 "Valuation of Inventories"

(g) Customs Duty :

Customs Duty payable on imported raw materials, components and stores and spares is recognised to the extent assessed by the customs department.

(h) Customs Duty Benefit :

Customs duty entitlement eligible under pass book scheme / DEP is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

(i) Lease Rentals :

Lease rentals are expensed with reference to lease terms.

(j) Research and Development :

Research and Development costs (other than cost of fixed

assets acquired) are expensed in the year in which they are incurred.

(k) Provision of Gratuity :

Provision for Gratuity is made on the basis of actuarial valuation based on the provisions of the Payment of Gratuity Act, 1972.

(l) Leave Salary :

Provision is made for value of unutilized leave due to employees at the end of the year.

(m) Investments :

Long term investments are carried at cost less provision for permanent diminution in value. Current investments are carried at lower of cost or fair value.

(n) Amortization of Expenses :

i) Equity Issue Expenses:

Expenditure incurred in equity issue is being treated as Deferred Revenue Expenditure to be amortized over a period of ten years.

ii) Debenture Issue Expenses:

Debenture Issue expenditure is amortized over the period of 10 years Debentures.

iii) Deferred Revenue Expenses:

Deferred Revenue expenses are amortized over a period of 5 years.

(o) Foreign Currency Transactions:

Foreign currency transactions during the accounting year are translated at the rates prevalent on the transaction date. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

(p) Provision for doubtful debts:

The management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

(2) Contingent Liability :

Unprovided Contingent Liabilities are disclosed in the accounts by way of notes giving the nature and quantum of such liabilities.

Contingent Liabilities not provided for :

(a) In respect of guarantees issued by Banks :

This includes expired bank guarantees of Rs.111.40 lacs which has been invoked, the encashment of which has been stayed by a Court of Law.

(b) Corporate Guarantees issued by the Company

(c) i) Claims against the Company not acknowledged as debt.

ii) Show cause notices under hearing in respect of excise duty which is disputed by the Company

iii) Sales Tax

TOTAL

AS AT 31.03.2008 (Rs in Lacs)	AS AT 31.03.2007 (Rs in Lacs)
967.24	778.55
88.17	115.57
298.33	305.87
223.64	427.26
31.21	31.21
1608.59	1658.46
5.24	3.20
7.38	6.30

(3) Cash and Bank Balances :-

a) Details of Balance with Non-Schedule Bank:

Balance with Non- Scheduled Bank

In Current accounts

Wardha Nagrik Sahakari Adikosha Ltd.

Maximum balance with Non- Scheduled Bank during the year

In Current accounts

Wardha Nagrik Sahakari Adikosha Ltd.

b) Amount held in Margin / Fixed Deposit accounts with banks having lien for Letters of Credit opened & Guarantees provided of Rs.1406.36 (Previous Year Rs.755.26)

(4) (a) The computation of net profit for the purpose of calculation of managerial remuneration u/s 349 of Companies Act, 1956 has not been enumerated since minimum remuneration has been paid to the Managing Director.

(b) Managerial remuneration u/s 198 of the Companies Act, 1956 include:

Salary
PF Contribution
Perquisites
Total

Current Year	Previous Year
19.20	19.20
1.44	1.44
4.80	4.80
25.44	25.44

Remuneration paid to Managing Director from January 2005 onwards is subject to Central Government approval for which necessary application has been made

(5) Disclosure as required by the Accounting Standard - 5 "Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies" are given below.

Prior period expenses are Rs 42.01 Lacs (Previous year Rs.71.80 lacs). Prior period incomes are Rs.206.07 Lacs (Previous year Rs.379.27 Lacs).

(6) a) The Income tax assessment have been completed upto Assessment Year 2005-06

b) The company does not envisage any liability for Income Tax for the current year in absence of taxable income.

c) Disclosure as required by the Accounting Standard - 22 "Accounting for Taxes on Income" are given below.:

In the event of carry forward losses and unabsorbed depreciation no Deferred Tax Liability has been created for the financial year ending 31.03.2008. The deferred tax asset has not been recognized as there is no virtual certainty of sufficient future taxable income available against which this deferred tax asset can be realized

(7) Disclosure as required by the Accounting Standard - 9 "Revenue Recognition" are given below:

Gross Turnover
Less : Excise Duty
Net Turnover

		(Rs. In lacs)	
		Current Year	Previous Year
		247436.29	193204.99
		26971.55	20648.91
		220464.74	172556.08

(8) Disclosure as required by the Accounting Standard - 18 "Related Party Disclosure" are given below.:

(Rs. in Lacs)

a) Parties where control exists :-			
A	Name of related party and relationship i) Name of the Related Party ii) Relationship	Indrajit Infrastructure Pvt Ltd. Significant Influence	
B	Transaction with related parties Nature of Transaction Sales	Current Year 6575.31	Previous Year Nil
b) Key Managerial Personnel			
A	Name of related party and relationship i) Name of the Related Party ii) Relationship	Rajesh R Gupta Key Managerial Personnel	
B	Transaction with related parties Nature of Transaction a) Salary b) PF Contribution c) Perquisites	19.20 1.44 4.80	19.20 1.44 4.80

(9) Sales include :

- a) Engineering Plant sales to Steel Plant at cost price amounting to Rs. 426.63 Lacs (Previous Year Rs.732.08 Lacs).out of which Rs. 78.70 lacs (Previous Year Rs.445.44) are Capitalised
- b) Steel Plant sales to Engineering Plant at selling price amounting to Rs.1349.69 Lacs (Previous Year Rs. 1085.78Lacs).
- (10) Assets aggregating Rs. 4382.37 Lacs at cost (Previous year Rs. 4382.37 Lacs) have been acquired on lease finance. The obligation for future lease rentals amounts to Rs 2037.61 Lacs.(Previous year Rs. 2037.61 lacs).
- (11) Balances of Debtors, Loans & Advances, Creditors and Bank dues are subject to Confirmation by the parties. Differences, (if any), shall be accounted on such reconciliation.
- (12) The Company has no information as to whether any of its suppliers constitute micro, small & medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and therefore, the amount due to such suppliers has not been identified.
- (13) Disclosure as required by Accounting Standard-11 "Effect Of Changes in Foreign Exchange Rates"
Credited to Profit and Loss Account is Rs. 237.76 Lacs (net)
(Previous Year Rs. 307.27 Lacs)
- (14) There are 446321 forfeited Equity Shares pending reissue at the year end (Previous Year 446321 shares).
- (15) As part of restructuring process of debt with some of the lenders, the total outstanding amount (Principal Plus Interest) as per books of Rs.8142.78 lacs has been restructured and settled for Rs.4459.27 lacs. Principal amount of Rs 598.64 lacs written back has been credited to Capital Reserve and the balance amount of Rs 3084.87 lacs has been credited to profit & loss account as interest provision written back and upto that extent there is a decrease in loss of the Company.
- (16) In view of accumulated losses, Debenture Redemption Reserve (Cumulative Rs.791.75 Lacs) is not created.
- (17) The Company has filed a reference before the Hon'ble BIFR on 29th June 2001. The reference came to be registered as Case Number 278/2001 as per their communication No.3(L-7)BC/2001 dated 11th July 2001. The Hon'ble BIFR after hearing the matter on 1st March 2006 has declared the Company as sick industrial company in terms of Section 3(1) (o) of SICA and appointed ICICI Bank Limited as the Operating Agency (OA) to prepare a Draft Rehabilitation Scheme (DRS). The Company has submitted DRS to the OA with copy of the same to the BIFR After convening lenders meeting and eliciting their view, DRS will be submitted to the BIFR.
- (18) Additional information pursuant to the provisions of Paragraph 3 and 4C. of Part II Schedule VI of the Companies Act, 1956.

(A) PRODUCTION

		Unit	Licensed Capacity	Installed Capacity	Actual Production
1	a) Fabrication of Chemical, Pharmaceutical & Other Machinery and Structural	M.T.	N.A. (N.A.)	13855 (13855)	See Notes Below
	b) Steel Structural	M.T.	N.A. (N.A.)	7000 (7000)	See Notes Below
2	Ship sets of Steering Gears & Stabilizers each	Nos.	N.A. (N.A.)	8 (8)	
3	Steel Pipes and Tubes	M.T.	N.A. (N.A.)	10000 (10000)	See Notes Below
4	Silos	M.T.	N.A. (N.A.)	10000 (10000)	
5	Marine Loading Arms/Truck And Rail Loading Arms	Nos.	N.A. (N.A.)	200 (200)	See Notes Below
6	Hot Rolled Coils/Plates/Sheets	M.T.	N.A. (N.A.)	600000 (600000)	440799 (511824)
7	Cold Rolled Coils/Sheets	M.T.	N.A. (N.A.)	350000 (350000)	126239 (166402)
8	GP Coils/Sheets. & GC Sheets	M.T.	N.A. (N.A.)	250000 (250000)	150223 (187701)
9	Power Plants	Nos.	N.A. (N.A.)	5 (5)	5 (5)

NOTES :

1. N.A. - Not Applicable in terms of Government of India's Notification No. S.O. 477(E), dated 25th July, 1991.
2. Considering the nature of business of fabrication of Chemical, Pharmaceutical and Other Machinery and Structural, Steel Pipes and Tubes, Marine Loading Arms production details are not available in M.T.
3. Production of GP Coil/ Sheet & GC Sheets includes production from conversion work (conversion from HR product to GP product) at job work site.
4. The above figures are certified by Managing Director and accepted by the Auditors.
5. Figure in the brackets pertains to previous year.
6. Saleable Production including production from conversion work but excluding captive consumption is as under :

- a) Hot Rolled Coils & Plate
- b) Cold Rolled Coils
- c) Galvanised Plain Coils

Current Year	Previous Year
284908	307203
1925	1816
149459	188222

(B) FINISHED GOODS:

		Sales		Opening Stock		Closing Stock	
		Qty.	Value (Rs.in Lacs)	Qty.	Value (Rs.in lacs)	Qty.	Value (Rs.in Lacs)
1	Fabrication of Chemicals Pharmaceutical, Machinery, Structurals, Marine Loading Arms & Engineering Services	NA (NA)	34324.73 (6088.84)	- (-)	- (-)	- (-)	- (-)
2	HR Coils/Plates/Sheets (MTS)	285271.18 (307336.47)	100998.55 (94172.99)	7917 (8050)	2485.17 (1980.63)	7554 (7917)	2835.97 (2485.17)
3	CR Coils/Sheets (MTS)	1924.50 (2248.24)	635.11 (564.65)	0.00 (432)	0.00 (95.54)	0.00 (0.00)	0.00 (0.00)
4	GP Coils/Sheets & GC Sheets (MTS)	152646.30 (190700.12)	64808.79 (76614.02)	5305 (7784)	2088.54 (2257.95)	2118 (5305)	953.37 (2088.54)
5	Scrap & Others	- (-)	** 8538.47 (10230.68)	- (-)	- (-)	- (-)	- (-)
	Net Sales		*209305.66 *(187671.18)				

Note : Figure in the brackets pertain to previous year.

* The above sales does not include Trading Sales shown separately in note below.

** The above sales includes job charges received.

(C) (a) COST OF RAW MATERIAL CONSUMED / SOLD

	Current Year			Previous Year		
	Qty.	Value (Rs.in Lacs)	MT	Qty.	Value (Rs.in Lacs)	MT
i. Melting Scrap (HMS)	112709.490	19106.51	MT	182262.266	26968.20	MT
ii. HBI/Sponge Iron	386298.432	55244.14	MT	406225.108	47119.25	MT
iii. Pig Iron	47287.575	8606.28	MT	54658.390	8577.74	MT
iv. Zinc & Alloys	3820.488	5323.91	MT	6126.283	10310.05	MT
v. HR Coil	7189.983	2181.43	MT	0	0	MT
vi. Iron & Steel (including M.S. & S.S.)	48940.295	12677.33	MT	19741.616	5416.17	MT
vii. Pipes & Tubes	193601.848	466.85	MTR	8781.560	59.23	MTR
			MT	87.290		MT
Viii Fabrication items		1337.09			138.99	
ix. Trade Items -						
Steel		36408.60			5634.94	
Others		395.16			549.38	

(b) DETAILS OF TRADED GOODS (Rs. in Lacs)

Particulars	Steel 2007-08		Others 2007-08		Steel 2006-07		Others 2006-07	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Op. Stock	2113.94	703.07						
Purchases	97910.99	36408.60	N.A.	395.16	16729.55	5634.94	N.A.	549.38
Sales	100024.93	37460.14	N.A.	670.49	14615.61	4984.01	N.A.	549.75
Closing Stock					2113.94	703.07		

	Value Rs. In Lacs	Percentage (%)
(D) PRODUCTION CONSUMABLES, STORES & SPARE PARTS AND COMPONENTS CONSUMED		
a) Imported	3893.88 (3077.90)	16.87 (13.36)
b) Indigenous	19187.28 (16850.54)	83.13 (86.64)
(E) RAW MATERIAL CONSUMED		
a) Imported	19505.49 (29133.18)	13.76 (27.80)
b) Indigenous	122241.81 (75640.84)	86.24 (72.20)
(F) C.I.F. VALUE OF IMPORTS		
a) Raw Material	16010.55 (23941.67)	
b) Production Consumables, Stores & Spares	3173.54 (2862.79)	
(G) EXPORTS		
a) Direct	2163.65 (12058.43)	
b) Deemed	17228.97 (1617.09)	
c) Third Party	1272.10 (15561.03)	
(H) EXPENDITURE IN FOREIGN CURRENCY		
a) Travelling, Books & Periodicals	78.83 (49.34)	
b) Interest paid	NIL (70.98)	
c) Brokerage and Commission	247.26 (66.42)	
d) Engineering & Design	123.53 (60.35)	
e) Conference & Training Exps/Royalty	9.48 (19.73)	
f) Repairs & Maintenance	47.77 (72.55)	
(I) EARNING IN FOREIGN CURRENCY		
Brokerage & Commission	NIL (3.00)	

(19) Disclosures as required by the Accounting Standard 17 on "Segment Reporting " are given below :

(Rs. in Lacs)

S. No.	Particulars	Year Ended 31.03.2008				Year Ended 31.03.2007			
		Steel Product	Engineering Product	Elimination	Consolidated	Steel Product	Engineering Product	Elimination	Consolidated
I)	Segment Revenue :								
	Sales :								
	External	178,806.18	41,658.56	0.00	220,464.74	167,192.06	5,363.96	0.00	172,556.02
	Inter - Segment	1,349.69	426.63	(1,776.32)	0.00	876.75	624.99	(1,501.74)	0.00
	Total	180,155.87	42,085.19	(1,776.32)	220,464.74	168,068.81	5,988.95	(1,501.74)	172,556.02
II)	Segment Result :								
	Operating Net Profit	(7,445.43)	2,886.27		(4,559.17)	(7,193.74)	5,131.91		(2,061.84)
	Common Expenses (Net)				(841.83)				(1,292.99)
	Interest				(2,501.75)				(3,423.27)
	Extra - Ordinary Items				3,084.87				0.00
	Net Profit				(4,817.88)				(6,778.09)
III)	Segment Assets :								
	Common Assets	134,414.81	20,726.28		155,141.09	150,583.14	13,730.41		164,313.55
	Total				2,065.17				3,776.85
									168,090.40
IV)	Segment Liabilities :								
	Common Liabilities	55,403.46	15,494.19		70,897.65	54,135.49	20,565.19		74,700.68
	Total				268.28				834.59
									75,535.27
V)	Capital Expenditure during the year								
	Segment	2,005.47	109.50		2,114.97	1,978.65	44.91		2,023.56
	Common				4.97				5.57
	Total				2,119.94				2,029.13
VI)	Depreciation during the year								
	Segment	11,300.28	50.40		11,350.68	11,196.48	44.19		11,240.67
	Common				11.58				10.67
	Total				11,362.26				11,251.34
VII)	Other Non - Cash Expenses								
	Interest Provision writeback	3,084.87	0.00		3,084.87	0.00	0.00		0.00
	Total				3,084.87				0.00

Notes :-

- Business Segment : The business operations of the Company comprise Steel Product & Engineering Product. The business segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and t
 - Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.
- (19) The Company has not made provision for interest on various loans of institutions and banks in view of the likely restructuring of the loans, amounting to **Rs. 20556.61** Lacs.(Cumulative Rs.86508.66 lacs)
- (20) Previous year's figures have been re-grouped and recast wherever necessary to make them comparable with the current year.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	(Rs In Thousands)	<u>APPLICATION OF FUNDS</u>	(Rs In Thousands)
Registration No.	14621	Net Fixed Assets	10420121
State Code	11	Investments	25026
Balance Sheet Date	31/03/2008	Net Current Assets	(1816091)
II. Capital Raised during the year (Rs. In Thousands)		Miscellaneous Exps.	0
Public Issue	NIL	Accumulated Losses	12631012
Rights Issue	129382	IV. Performance of Company (Rs In Thousands)	
Bonus Issue	NIL	Turnover	24743629
Private Placement	NIL	Total Expenditure	25944930
III. Position of Mobilisation and Deployment of Funds (Rs. In Thousands)		Profit / (Loss) Before Tax	(481788)
<u>SOURCES OF FUNDS</u>		Profit / (Loss) After Tax	(485325)
Total Liabilities	21260070	Earning Per Share in Rs.	(2.53)
Total Assets	21260070	Dividend rate %	NIL
Paid-up Capital	4274216	V. Generic Names of Three Principal (As per Monitory terms) Products/Service of Company.	
Reserves & Surplus	4259138	1. Item Code No. (ITC Code)	72 - 08 - 31
Secured Loans	12559864	Product Description	Hot Rolled Coils.
Unsecured Loans	166853	2. Item Code No. (ITC Code)	72 - 10 - 49
		Product Description	Hot Dipped Galvanised Coils/Sheets
		3. Item Code No. (ITC Code)	—
		Product Description	Turnkey Projects

As per our Report of even date attached

For TODARWAL & TODARWAL
Chartered Accountants

SUNIL L. TODARWAL
Partner
M. No.32512

Date : 27th May, 2008
Place : Mumbai

S. N. TIWARI
Company Secretary

For and on behalf of the Board

RAJESH R. GUPTA
Managing Director

MUKESH R. GUPTA
Chairman



CASH FLOW STATEMENT

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2008.

(Rs. in Lacs)

	31.03.2008		31.03.2007	
A CASH FLOW FROM OPERATION ACTIVITIES:				
Net Profit before tax and extraordinary items		(7738.70)		(6470.63)
Adjustments for:				
Depreciation	11362.26		11251.34	
Loss / (Profit) on Sale of Fixed Assets(Net)	(12.34)		3.78	
Interest Expense(Net)	2739.51		3730.53	
Foreign Exchange variation	0.00		(113.15)	
Depletion of Investments	0.00		750.00	
Dividend Income	0.00		472.28	
Misc. Expenditure W/Off	421.42	14510.85	(0.28)	16094.51
Operating Profit before working capital changes		6772.15		9623.88
Adjustments for:				
Trade and Other Receivables		(1660.54)		(9674.60)
Inventories		11389.84		(6562.58)
Trade Payables and Others		(5607.37)		15733.18
Cash generated from operations		10894.08		9119.88
TDS Paid / Refund Received		(27.04)		(19.33)
Taxes Paid - FBT		(35.38)		(36.08)
Cash Flow before extraordinary items		10831.67		9064.47
Extraordinary Items:				
Dividend Income		0.00		0.28
Foreign Exchange variation		0.00		113.15
Net cash from operating activities :-		10831.67		9177.90
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(2156.53)		(2045.38)
Sale of Fixed Assets		32.20		6.76
Investment in Shares		(0.26)		0.02
Interest Received		1916.41		1240.85
Net cash used in investing activities :-		(208.19)		(797.75)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Share Capital		695.18		129.62
Reduction in Loans		(6889.11)		(5159.28)
Interest		(3417.89)		(3358.45)
Net cash from financing activities :-		(9611.82)		(8388.10)
Net increase in cash and cash equivalents :-		1011.66		(7.95)
Cash and cash equivalents as at 01.04.2007		(1777.23)		(1785.18)
Cash and cash equivalents as at 31.03.2008		2788.89		1777.23

Notes:

- Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
- Purchases of Fixed Assets includes movements of Capital Work-in-process between the beginning and end of the year.
- Proceeds from long-term and other borrowings are shown net of repayments.
- The following are non - cash transactions excluded from the cash flow statement :
Interest Provision written back - Rs.3084.87 lacs.
- Cash and cash equivalents represent cash and bank balances only.
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Figures in brackets represent outflows.

As per our Report of even date attached

For TODARWAL & TODARWAL

Chartered Accountants

SUNIL L. TODARWAL

Partner

M. No.32512

Date : 27th May, 2008

Place : Mumbai

S. N. TIWARI

Company Secretary

For and on behalf of the Board

RAJESH R. GUPTA

Managing Director

MUKESH R. GUPTA

Chairman

FINANCIAL HIGHLIGHTS

Rs. in lacs

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000	1998-99
Sales	247436.29	193204.93	158648.22	151799.39	86281.18	64576.55	34666.26	49489.69	53883.05	87652.89
Other Income	4110.27	3912.44	1118.84	95.04	1051.51	304.72	695.90	847.63	724.44	507.92
TOTAL INCOME	251546.56	197117.37	159767.08	151894.43	87332.69	64881.27	35362.16	50337.32	54607.49	88160.81
Manufacturing & Other Expenses	245585.31	189220.88	157115.65	133679.20	81781.42	63591.15	37915.89	53018.21	52734.30	83546.20
OPERATING PROFIT / (LOSS) FOR THE YEAR	5961.25	7896.49	2651.43	18215.23	5551.27	1290.12	(2553.73)	(2680.89)	1873.19	4614.61
Interest & Financial Charges	2501.75	3423.26	3932.45	2309.35	876.77	11753.05	8552.49	28883.06	21481.67	17774.20
Depreciation	11382.26	11251.34	10907.11	10925.89	10963.99	10921.31	11086.23	9087.31	6870.86	6626.96
PROFIT / (LOSS) FOR THE YEAR	(7902.76)	(6778.11)	(12188.12)	4979.99	(6289.49)	(21384.24)	(22192.45)	(40651.26)	(26479.34)	(19786.55)
Exceptional Items	3084.87	-	5904.27	7155.23	5843.22	(2023.50)	(2265.09)	-	-	-
Adjustment in respect of earlier years	164.05	307.47	67.40	68.73	338.40	(37.64)	1248.46	(158.27)	(2926.63)	(1322.78)
PROFIT BEFORE TAX	(4653.84)	(6470.64)	(6216.45)	12203.95	(107.87)	(23445.38)	(23209.08)	(40809.53)	(29405.97)	(21109.33)
Taxation	35.38	36.08	36.80	0.00	0.00	0.00	0.00	0.00	0.00	3.25
PROFIT AFTER TAX	(4689.22)	(6506.72)	(6253.25)	12203.95	(107.87)	(23445.38)	(23209.08)	(40809.53)	(29405.97)	(21112.58)
Profit / (Loss) b/f from last year	(121620.91)	(115114.19)	(108860.94)	(121064.89)	(120957.02)	(97511.64)	(74302.56)	(33493.03)	(4087.06)	1144.19
Appropriations										
(a) Dividend : Amount										
Percentage										
(b) Transfer to Reserves/Surplus/P & L										(15881.33)
NWT PROFIT / (LOSS)	(126310.13)	(121620.91)	(115114.19)	(108860.94)	(121064.89)	(120957.02)	(97511.64)	(74302.56)	(33493.03)	(4087.06)
WHAT THE COMPANY OWNED										
Fixed Assets										
Gross Block	225821.06	223701.10	221671.96	214749.32	212929.21	212324.47	212285.37	212276.51	204951.89	189551.43
Less : Depreciation	121619.82	110274.30	99028.66	88128.80	77220.41	66264.07	55372.63	44337.75	33545.66	23975.29
Net Block	104201.24	113426.80	122643.30	126620.52	135708.80	146060.40	156912.74	167938.76	171406.23	165576.14
Investment	250.26	250.00	1000.00	1000.00	1006.12	1006.13	1163.48	1163.48	1163.48	1163.48
Current Assets	53005.02	61695.64	45447.10	43756.91	53962.89	54111.92	58071.62	65600.28	64140.04	73128.11
Miscellaneous Expenditure	-	421.42	893.70	1234.53	1680.52	2135.26	2363.35	2773.76	3072.21	3258.68
	157456.53	175793.86	169984.12	172611.99	192358.33	203313.71	218511.19	237476.28	239781.96	243126.41
WHAT THE COMPANY OWED										
Secured Loans	125598.64	136033.25	140813.69	155883.56	213281.02	226032.09	212408.19	202894.34	162140.80	124976.20
Unsecured Loans	1668.53	1806.54	2185.37	25735.08	3899.48	5214.10	8465.92	13676.77	11472.05	16115.95
Current Liabilities & Provisions	71165.93	75535.27	58189.16	42242.35	38630.78	35412.59	37536.77	37595.82	42050.22	48511.26
	198433.10	213375.06	201188.22	223860.99	255811.28	266658.78	258410.88	254166.93	215663.07	189603.41
NET WORTH OF THE COMPANY										
Equity Share Capital	42742.16	42549.05	42419.49	18862.03	18862.03	18862.03	18862.03	18861.99	18861.99	18861.65
Reserves & Surplus	42591.38	41490.66	41490.60	38749.91	38749.91	38749.91	38749.91	38749.91	38749.91	38748.39
SHAREHOLDERS FUND	85333.54	84039.71	83910.09	57611.94	57611.94	57611.94	57611.94	57611.90	57611.90	57610.04
Profit & Loss Account	(126310.13)	(121620.91)	(115114.19)	(108860.94)	(121064.89)	(120957.01)	(97511.63)	(74302.55)	(33493.01)	(4087.04)
NET WORTH	(40976.59)	(37581.20)	(31204.10)	(51249.00)	(63452.95)	(63345.07)	(39899.69)	(16690.65)	24118.89	53523.00



LLOYDS STEEL INDUSTRIES LIMITED

Regd. Office : Modern Centre, "B" Wing, 2nd Floor, Sane Guruji Marg, Mahalaxmi, Mumbai-400 011.

DP ID *	
Client ID *	

PROXY FORM

Folio No.	
No. of Shares	

I / We
 of
 being Member/s of **LLOYDS STEEL INDUSTRIES LIMITED**, hereby appoint
 of..... or failing him
 of..... as my/ our proxy to vote for me/us on my/our behalf at the 38th Annual General Meeting of the Company to be held on Saturday, 19th July,2008 at 11.00 a.m. at the Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 and at any adjournment thereof.

Affix
Revenue
Stamp

Signed at..... this day of2008

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

*Applicable for investors holding shares in electronic form.

Tear Here

- - - - - ✂ - - - - - Tear Here - - - - - ✂ - - - - -

LLOYDS STEEL INDUSTRIES LIMITED

Regd. Office : Modern Centre, "B" Wing, 2nd Floor, Sane Guruji Marg, Mahalaxmi, Mumbai-400 011.

38th Annual General Meeting

DP ID *	
Client ID *	

ATTENDANCE SLIP

(To be handed at the entrance of the Meeting Hall)

Folio No.	
No. of Shares	

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company, I hereby record my presence at the 38th Annual General Meeting of the Company to be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Saturday, 19th July,2008 at 11.00 a.m.

Full Name of Member (in BLOCK LETTERS) _____

Name of the Proxy (in BLOCK LETTERS) _____
(To be filled in if the Proxy attends instead of Member/s)

Member's/Proxy's Signature _____

* Applicable for investors holding shares in electronic form.

✂

BOOK - POST

If undelivered please return to :

BIGSHARE SERVICES PRIVATE LIMITED

(Unit : LLOYDS Steel Industries Limited)

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Saki Naka, Andheri (East),

Mumbai - 400 072.

Phone : 022-2847 0652 / 53 / 4043 0200 / 299

Fax : 2847 5207