

## JOTINDRA STEEL & TUBES LTD.

### NOTICE

The Thirty Eighth Annual General Meeting of the Company will be held as scheduled below:

Date : 29th August, 2008

Time : 3.30 P.M.

Place : 14/5, Mathura Road, Faridabad-121003 (Haryana)

To transact the following business:

#### ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year 2007-2008 ended on 31<sup>st</sup> March, 2008.
2. (i) To appoint Director in place of Shri A.K.Sureka who retires under Article 119 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.  
  
(ii) To appoint Director in place of Shri Deepak Kumar Garg who retires under Article 119 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year and fix their remuneration.

#### SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modifications, if any, the following Resolutions :-

(i) As an Ordinary Resolution :

Resolved that the re-appointment of Shri A. K. Sureka as Managing Director of the Company made by the Board of Directors w.e.f. 1<sup>st</sup> July, 2008 on revised remuneration and perquisites not exceeding the limits prescribed under Part-II of Schedule XIII to the Companies Act, 1956 on the terms and conditions given here-in-below be and is hereby considered and approved :-

1. Period of Appointment : Five Years with effect from 01-07-2008
2. Salary : Rs. 70,000/- per month.  
(Scale 70,000-7000-98,000)
3. Perquisites : (A) Contribution to provident Fund @ 12% of the salary per month.  
(B) Gratuity @ half a month salary for each completed year of service.  
(C) Earned Leaves as per the Rules of the Company which will be encashable at the end of the tenure, if not availed of.  
(D) Furnished residential accommodation and reimbursement of expenditure incurred on Gas, Electricity, Water & Furnishing.  
(E) Reimbursement of actual medical expenses of self & family.

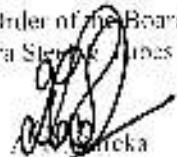
To consider and, if thought fit, to pass with or without modifications, if any, the following Resolutions:-

(a) As an Ordinary Resolution :

"Resolved that the re-appointment of Shri O. P. Bhardwaj as Director (Commercial) of the Company made by the Board of Directors w.e.f. 1<sup>st</sup> July, 2008 on revised remuneration and perquisites not exceeding the limits prescribed under Part-II of Schedule XIII to the Companies Act, 1956 on the terms and conditions given here-in-below be and is hereby considered and approved :-

1. Period of appointment : Five Years with effect from 1.07.2008.
2. Salary : Rs. 30,000/- per month.  
( in the slab of 30,000-3,000-42,000 )
3. Allowances : Rs. 20,000/- per month  
( in the slab of 20,000-2,000-28,000 )
4. Perquisites : (A) LTA equal to one month salary in a financial year.  
(B) Encashment of unavailed earned leaves not exceeding 30 days in a financial year.  
(C) Contribution to PPF by the Company @ 12% of the basic salary  
(D) Reimbursement of Medical Expenses subject to maximum of one month of the basic salary.  
(E) Bonus as per Company Rules.  
(F) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

By Order of the Board  
Jotindra Steel Tubes Ltd.

  
Managing Director

Faridabad

30<sup>th</sup> July, 2008

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. A Proxy form is attached herewith.
2. The Register of members and transfer books of the Company will remain closed from 26<sup>th</sup> August, 2008 to 29<sup>th</sup> August, 2008 (both days inclusive).
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is attached.

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956, attached to the Notice dated 30<sup>th</sup> July, 2008 convening the 38<sup>th</sup> Annual General Meeting)

### Ordinary Resolution No.(i)

Your Board of Directors re-appointed Shri A. K. Sureka as Managing Director w.e.f. 1<sup>st</sup> July, 2008 for a period of five years on the remuneration and perquisites as enumerated here-in-above in the Ordinary Resolution subject to the approval of the shareholders in their meeting and as such the shareholders are requested to consider and pass the above stated resolution. Mr. A. K. Sureka is very much suited to the aforesaid position since he has to his credit 10 years experience related to the job in question.

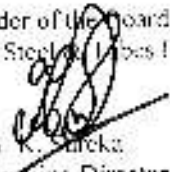
Except Shri A. K. Sureka and Shri V. K. Sureka, being his father, no other director is interested or concerned in the resolution.

### Ordinary Resolution No.(ii)

Your Board of Directors re-appointed Shri O.P. Bhardwaj, as a whole time paid director designated as Director (Commercial) w.e.f. 1<sup>st</sup> July, 2008 for a period of five years on the remuneration and perquisites as enumerated here-in-above in the Ordinary Resolution subject to the approval of the shareholders in their meeting and as such the shareholders are requested to consider and pass the above stated resolution. Mr. O. P. Bhardwaj is very much suited to the aforesaid position since he has to his credit 27 years experience related to the job in question.

Except Shri O.P. Bhardwaj, no other director is interested or concerned in the resolution.

By Order of the Board  
Jindia Steel Pipes Ltd.

  
A. K. Sureka  
Managing Director

Faridabad

30<sup>th</sup> July, 2008

## JOTINDRA STEEL & TUBES LIMITED

### DIRECTORS' REPORT

Your Directors submit the 38<sup>th</sup> Annual Report along with the Audited Statement of accounts of your Company for the Financial Year ended 31<sup>st</sup> March, 2008.

#### WORKING RESULTS

	31-3-2008	(Rs. In Laacs) 31-3-2007
Profit before Depreciation	458.87	200.27
Depreciation	33.66	30.64
Profit	425.20	169.63
Less :		
Provision for Income Tax including Fringe Benefit Tax of Rs.1.20 laacs.	100.47	40.20
Add: Excess Provision written back	-	0.52
Less:		
Provision (Adjustment) for Deferred Tax	21.53	16.28
Profit for the year after Tax	303.20	113.67
Balance brought forward from previous year	273.78	160.11
Balance carried to balance sheet	576.98	273.78

#### PERFORMANCE OF THE COMPANY

Year under review has been a turn around in the history of the Company. The prudent policies of the management have resulted in remarkable performance both in the production and sales briefly.

Gross sales for the year have jumped by over 93% in comparison to that of last year as the sales were at Rs. 279.97 crores during year under review as against of Rs. 144.22 crores during the preceding year.

The other income has also increased by 132% mainly on account of export incentives earned on export sales made by the company.

The profit before tax for the year has increased by 151% from Rs. 1.69 crores during last year to Rs. 4.25 crores during the year under review.

The adverse feature of the year has been abnormal increase in incidence of interest which was higher more than three times, mainly due to increased working capital requirement/utilization apart from increase in Bank's lending rate. The Company has

recently taken up the matter with the bankers and has managed to get some reduction in interest rates being charged by the bankers.

## **CORPORATE GOVERNANCE**

A detailed Report on Corporate Governance is given in Annexure-A to this report. The Auditors' Certificate relating to compliance of the conditions of Corporate Governance, as stipulated in clause-49 of the Listing Agreement with the Delhi Stock Exchange where the shares of the Company are listed, is also enclosed.

## **MANAGEMENT DISCUSSION & ANALYSIS**

International prices of steel is significantly higher than domestic prices which has rendered imports of steel unviable. On the other hand, government took various steps to check export of steel products to ease pressure on domestic inflation. However, inspite of adverse circumstances, your company has managed to achieve record level of sales in the year under report because of better quality of products having been offered in domestic and export markets.

Your company foresee slow down both in domestic and export markets due to inflationary pressures but at the same time the management would continue to strive hard and efficiently during the current year to achieve better results under the given circumstances.

## **DIRECTORS**

In pursuance of Article 119 of the Articles of Association of the Company, Shri A.K.Sureka and Shri Deepak Kumar Garg retire by rotation and being eligible, offer themselves for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 217 (2AA) of the Companies Act, 1956, it is hereby affirmed that :-

- a) in the preparation of annual accounts, all applicable accounting standards have been followed;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under report and of the profit and loss of the Company for that period ;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;  
and

d) the Directors have prepared the annual accounts on a going concern basis.

#### **FIXED DEPOSITS**

There were no Public deposits and no unclaimed deposits as on 31-03-2008.

#### **AUDITORS**

M/s. Salarpuria & Partners, Chartered Accountants, who retire at the conclusion of this Annual General Meeting, being eligible, offer themselves for re-appointment. Your Directors recommend that they be re-appointed as Auditors of the Company for the Financial year 2008-09 on such remuneration as may be fixed by the shareholders.

Auditors' observations are explained in various notes to the accounts and, therefore, do not call for any further comments.

#### **FOREIGN EXCHANGE EARNINGS AND OUT GO**

(a) Your Company exported goods of F.O.B. value during the year under review compared to Rs.5,39,97,627 during the previous year	Rs.34,44,99,660
(b) (i) C.I.F. Value of Imports	Rs. 1,40,41,177
(ii) Expenditure in Foreign Currency – Travelling	Rs. Nil

#### **CONSERVATION OF ENERGY**

The required information in the prescribed form 'A'

Nil

#### **PARTICULARS OF TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT IN FORM 'B'**

Nil

#### **PERSONNEL & INDUSTRIAL RELATIONS**

The Personnel & Industrial Relations during the year under review remained cordial.

#### **PARTICULARS OF EMPLOYEES**


There was no employee who received remuneration of Rs. 24,00,000/- per annum if employed through-out the year or Rs. 2,00,000/- per month if employed for any part of the year during the financial year ended on 31<sup>st</sup> March, 2008. The particulars of employees

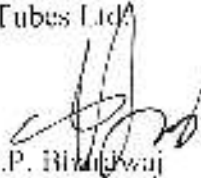
under section 217(2-A) of the Companies Act, 1956 read with the Rules thereunder are thus not called for.

#### ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to Banks and the Customers for their support and Co-operation. The Industrial relations remained cordial and the Directors convey their thanks to the Company's employees at all levels for their whole hearted support.

By Order of the Board  
Jodhra Steel & Tubes Ltd.

  
A.K. Sureka  
Managing Director

  
O.P. Bhatnagar  
Director

Faridabad

30<sup>th</sup> July, 2008