

NOTICE TO MEMBERS

Notice is hereby given that the Thirty First Annual General Meeting of members of the Company will be held at 73/A, Central Avenue, Nagpur-440 018 on Wednesday the 29th September, 2004 at 4.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To consider declaration of dividend on equity shares.
3. To appoint a Director in the place of Shri Rakesh Mehra, who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri A.K. Basu, who retires from office by rotation and being eligible offers himself for re-appointment.
5. To appoint auditor and fix his remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. P.R. Tripathi, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Article 88 of the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing from a member of the Company, expressing his intention of proposing the candidature of Mr. P.R. Tripathi for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board

P.K. Jain
Company Secretary

Place : Raipur

Dated : 29-05-2004

Notes

1. The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item 6 of the notice set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 3rd July, 2004 to Tuesday, the 6th July, 2004 (both days inclusive).
4. The dividend, if declared, will be paid to those members whose name appear on Company's register of members on 6th July, 2004, after giving effect to all valid share transfers lodged with the Company on or before Friday, the 2nd July, 2004. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership details furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as at the end of business on Friday, the 2nd July, 2004.
5. Investors holding physical shares are advised to forward the particulars of their bank account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on dividend warrants and investors holding shares in electronic form may please note that the bank details as furnished by the respective depositories to the company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the company will not entertain any direct request from such members for deletion / change in such bank details. Members may give instructions regarding bank accounts in which they wish to receive dividend directly to their Depositories Participants.

Raipur Alloys & Steel Limited

6. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail faster and safe remittance of dividend than customary cheque mode and return the Mandate Form accurately filled in and signed. A photocopy of a leaf of your cheque book bearing your bank account number may also be sent along with the Mandate Form to the Registrar and Share Transfer Agent at the earliest. A blank ECS Mandate Form is attached with the Annual Report.
7. All requests received from Members for change of address will be entertained only when shareholders' signatures on the letter intimating change of address tally with the specimen signatures recorded with the Company. While notifying change in address please ensure that the address is complete and the pin code number is clearly mentioned. Incorrect / incomplete address may lead to non-delivery of documents /communications sent to you from the Company.
8. Members are requested to quote Folio Numbers in all correspondence. Members holding shares in identical order of names in more than one folio are requested to write to Company to consolidate their holding in one folio.
9. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (Ten) days in advance of the Annual General Meeting.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956

Item No. 6:

Shri P.R. Tripathi was appointed as Additional Director on 30.10.2003 by the Board of Directors and in accordance with section 260 of the Companies Act, 1956 he holds office until the forthcoming Annual General Meeting of the Company.

As required under Section 257 of the Companies Act, 1956, the company has received Notice from member signifying his intention to propose Shri P.R. Tripathi as candidate for the office of Director along with the deposit of Rs.500/- as required under the Act.

Shri P.R. Tripathi, aged 60 years, is a Mining Engineer. He has retired recently as Chairman and Managing Director of National Mineral Development Corporation. He has rich senior management experience of iron-ore mining industry. The company will get immense benefit of his vast experience.

The Board commends the resolution for your approval. None of the Directors other than Shri P.R. Tripathi is concerned or interested in the resolution.

By order of the Board

P.K. Jain
Company Secretary

Place : Raipur

Dated : 29-05-2004

DIRECTORS' REPORT TO THE MEMBERS

Your Directors take pleasure in presenting the Thirty First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

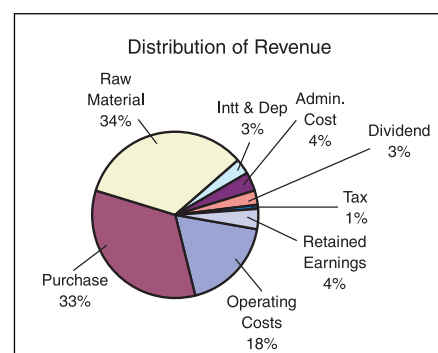
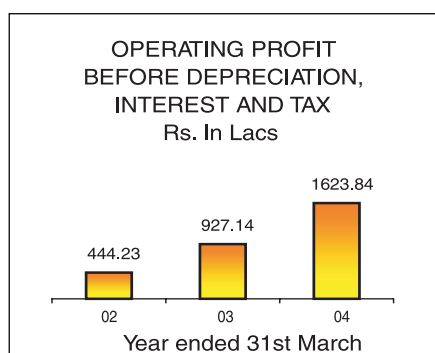
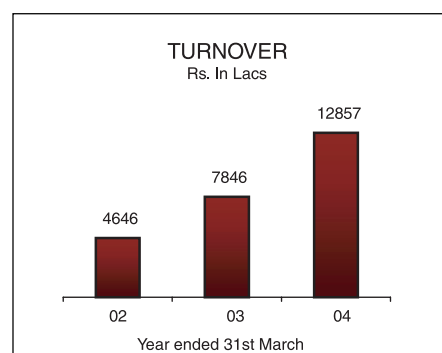
	(Rs. in lakhs)	
	Year ended 31.03.2004 (12 months)	Period ended 31.03.2003 (6 months)
Turnover	12856.76	4487.98
Gross Profit	1623.85	490.81
Interest	34.17	22.26
Depreciation	344.85	172.44
Profit before tax for the year	1244.83	296.11
Add : Prior period adjustment	1543.48	1410.41
	2788.31	1706.52
Less : Provision for current taxation	375.00	150.00
Less : Deferred Tax Liability / (Asset)	(261.83)	1.95
	2675.14	1554.57
Appropriations:		
Transfer to General Reserve	350.00	—
Dividend (including tax on dividend)	368.90	—
Adjusted against Brought Forward losses	353.43	1554.57
Balance carried over to next year	1602.81	(353.43)

DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs.2.50 per share for your consideration. After your approval at the ensuing Annual General Meeting this will be paid as per applicable provisions of law.

OPERATIONS

Kindly refer to the Management Discussion and Analysis forming part of this Annual Report.

**EXPANSION AND FUTURE PLANS**

The Company is expanding its sponge iron capacity from 60,000 MTs to 2,10,000 MTs alongwith waste heat recovery facilities and steel capacity from 40,000 MTs to 1,40,000 MTs at Siltara Industrial Growth Centre at a total capital outlay of Rs.50 crores for which financial closure is already achieved. The project work is progressing well as per schedule and sponge iron project is expected to be commissioned by October 2004. On completion of the expansion, the Company will get the benefit of economies of scale.

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The Waste Heat Recovery facilities installed with the Sponge Iron Kiln will give substantial savings in the power bill of the Company and also clean & green environment.

MINING

Assured availability of basic inputs at reasonable price is a pre-requisite for consistent & sustainable growth in long run. Keeping this in mind the Company was pursuing for quite some time for captive mines of iron ore & coal, the main inputs required for manufacturing sponge iron.

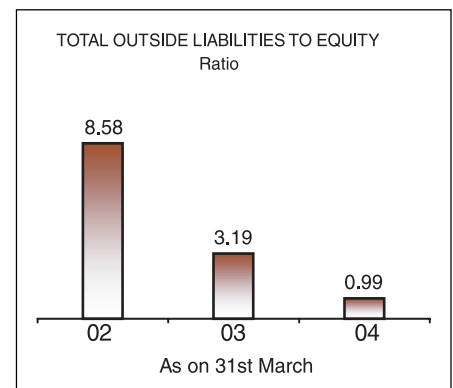
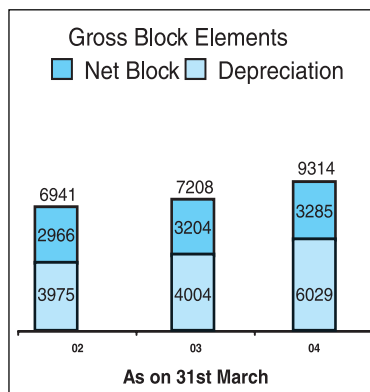
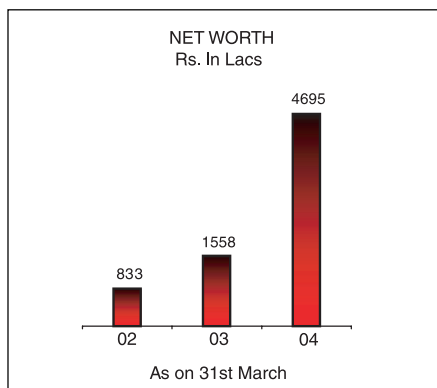
Mining Lease & permissions have been received for iron ore mining over an area of 80 hectares. Development of mines is in progress.

The Company has also been granted Mining Lease for mining of coal in Raigarh area over an area of 335 hectares. The Company is taking steps for acquisition of land & other approvals required to start mining.

FINANCE

The Company cleared outstanding loans of all the Financial Institutions during the year. The Company has also been sanctioned a term loan of Rs.31 crores for its expansion project.

During the year, the Company issued 65,40,000 equity shares of Rs.10/- each at par to the promoters under the preferential issue, pursuant to the approval given by the members in the Extraordinary General Meeting held on 09.06.2003. As a result of this the paid up capital of the Company has reached upto Rs.13.08 crores divided into 1,30,80,000 equity shares of Rs.10/- each.



FIXED DEPOSITS

The Company has not accepted any Fixed Deposits within the meaning of Section 58 A of the Companies Act, 1956 and the rules made thereunder during the period under review.

INDUSTRIAL RELATIONS

The company's focus has not only been on operational and business strategies but more importantly also on "people power". It is people alone who provide with the greatest sustainable, competitive advantage. Human resources are continuously harnessed and people are helped to unleash their maximum potential.

The overall industrial relations of the Company were cordial throughout the year.

ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL

Company is not only committed to sustainable economic growth but at the same time is also fully cautious to protect environment by relentlessly pursuing the development of cleaner production processes that inherently reduce pollution levels. To keep the atmosphere clean hi-tech Electrostatic Precipitators (ESP) is under installation at an estimated cost of Rs.150 lakhs. Water sprinkling arrangements have been made at different plant locations, to prevent the dust from going into the environment. Tree plantations act as dust-filters. Company has planted thousands of trees and land is verdant with trees, swaying with the wind.

CORPORATE SOCIAL RESPONSIBILITY

Company being a corporate citizen is not devoid of its responsibilities towards the society in which it operates. A humble beginning has been made in this direction. For building a better, sustainable way of life for the weaker sections of society in surrounding of its area of activity, the company organises various awareness programmes. The company has adopted 60 single teacher schools in tribal areas near its mines. Company also sponsors and incurs sizeable expenditure in promoting sports.

DIRECTORS

Mr. P.R. Tripathi was appointed as an Additional Director of the Company by the Board of Directors on 30.10.2003 pursuant to Section 260 of the Companies Act, 1956 and Article 88 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting but being eligible, offers himself for re-appointment. A Notice has been received from a member of the Company, expressing his intention of proposing the candidature of Mr. P.R.Tripathi for the office of Director. A resolution is accordingly being proposed at the ensuing Annual General Meeting of the company.

Shri Rakesh Mehra and Shri A.K. Basu, Directors of the Company, retire by rotation and being eligible, offer themselves for re-election.

The brief Resume / details of Directors who are to be reappointed are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your directors state as under :-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation.
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the Annual Accounts on a going concern basis.

AUDITOR

Shri M. M. Jain, Chartered Accountant, auditor of the Company holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from Shri M. M. Jain, Chartered Accountant to the effect that his appointment as auditor, if made, would be within the limits u/s 224 (1-B) of the Companies Act, 1956.

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

The statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked Annexure 'A' which forms part of this Report.

PARTICULARS OF EMPLOYEES

The particulars of employees, as required under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 are given as annexure to this report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors express their thanks and record appreciation for the co-operation they received from various Government authorities, financial institutions, bankers, suppliers and customers of the company. The Directors also wish to place on record their sincere appreciation for the devoted services rendered by the employees at all levels of the Company and look forward to their continued co-operation.

On Behalf of Board of Directors,

Place : Raipur
Dated : 24-07-2004

(K.K. Sarda)
Chairman & Managing Director

Annexure 'A' to the Directors' Report

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :

- | | | |
|--|---|--|
| a) Energy conservation measures taken | : | i) Trials are being conducted for utilisation of solid wastes collected from dedusting system for generation of steam. |
| | | ii) Optimisation of the process for effective utilisation of the coal. |
| b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. | : | Nil |
| c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. | : | Nil |
| d) Total energy consumption and energy Consumption per unit of production in Prescribed Form'A'. | : | As per Form "A" attached. |

B. TECHNOLOGY ABSORPTION :

Research and development :

- | | | |
|--|---|---|
| 1. Specific areas in which R & D carried out by the Company | : | i. Trials carried out for use of different sizes of coal from injection side to get optimum size for effective utilization of coal. |
| | | ii. Trials for utilisation of waste from dedusting is under way. |
| 2. Benefits derived as a result of above R & D. | : | The carbon consumption PMT of sponge iron has gone down. |
| 3. Future plan of action | : | Nil |
| 4. Expenditure on Research & Development | : | Nil |
| 5. Technology absorption adaptation and innovation | : | |
| a) Efforts, in brief, made towards Technology absorption, adaptation and innovation. | : | Nil |
| b) Benefits derived as a result of above efforts. | : | Nil |
| c) Information regarding technology imported during the last five years. | : | Nil |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|---|---|---------------|
| 1) Activities relating to exports initiatives taken to increase exports, development of new export markets for products and services and export plans | : | Nil |
| 2) Total Foreign Exchange used and earned | : | (Rs. in Lacs) |
| i) Foreign Exchange used | : | Rs. 225.70 |
| ii) Foreign Exchange earned | : | Rs. Nil |

Place : Raipur
Dated : 24-7-2004

On Behalf of Board of Directors,
(K.K. Sarda)
Chairman & Managing Director

FORM 'A'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	Steel	
	Year ended 31.03.2004 (12 months)	Period ended 31.03.2003 (6 months)
A. POWER AND FUEL CONSUMPTION:		
1. ELECTRICITY		
a) Purchased		
Units (KWH)	6980995	1625273
Total Amount (Rs.in Lacs)	160.56	373.87
(Rs./KWH)	2.30	2.30
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	Nil	Nil
Units per ltr. of diesel oil	Nil	Nil
Cost/unit (Rs.)	Nil	Nil
ii) Through Steam Turbine/Generator		
Units	Nil	Nil
Units per ltr. of fuel oil/gas	Nil	Nil
Cost/unit (Rs.)	Nil	Nil
2. Coal for domestic use		
Qty. (M.T)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
3. Furnace Oil		
Quantity (K.Litres)	Nil	Nil
Total cost (Rs. in Lacs)	Nil	Nil
Average Rate (Rs./K.Litres)	Nil	Nil
4. Others/Internal Generation (through conversion of heat)		
Units	21471111	Nil
Total Cost (Rs. in Lakhs)	361.40	Nil
Rate/unit	1.68	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity (units)(Steel ingots)	809	807
Coal	Nil	Nil
Furnace Oil	Nil	Nil
Other (specify)	Nil	Nil
Own power	Nil	Nil

Note : Form A is not applicable to Sponge Iron Industry

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

There are two segments in steel making, primary producers producing steel through blast furnace route and secondary producers producing steel through Induction furnace / Arc furnace route utilizing sponge iron as main feedstock.

Blast furnace route consumes huge quantity of coke, which is not available in India. China, South Africa and Australia are major producers & exporters of coking coal. Some major coalmines in Australia and South Africa are closed and in contrast the coal demand / consumption worldwide has gone up. China was major exporter of coke. Due to increased domestic consumption, China has banned export of coking coal causing shortage of coke globally, resulting in sharp increase in the prices of coke thereby making the Blast Furnace route costlier.

Sponge iron is produced using non-coking coal or natural gas. Non-coking coal is abundantly available in the country but availability of natural gas is limited and costly proposition. Since both sponge iron grade iron ore and non-coking coal are available indigenously, coal-based sponge iron process is more suitable in Indian conditions. A large number of coal-based small, medium & big size plants have come up and many more are in pipeline. Because of this, the India has become the largest & most significant player in the coal-based sponge iron in the world with over 76% of world's production. During the calendar year 2003 India became largest sponge iron producer with 7.7 million tonnes. This accounts for about 15.6% of world's production.

Due to steep increase in prices of coke the primary steel producers have started using sponge iron as feedstock, which has increased the productivity and reduced the coke consumption drastically, thereby increasing demand of sponge iron. The installation of waste heat recovery facilities by sponge iron plants has helped in generation of power without fuel, which has further improved the profitability.

The global as well as domestic demand of the steel has also gone up. China has emerged as major importer of the steel as against net exporter few years back. This has resulted into better realisation for the product.

OPPORTUNITIES

The developments in the industry as stated hereinabove have opened a lot of opportunities to the company. To take fullest benefit of the opportunities, the company has taken up a major expansion of sponge iron capacity from 200 TPD to 700 TPD, which is expected to be commissioned in third quarter of this financial year. The company also plans to add one more Kiln of 500 TPD to further increase the capacity to 1200 TPD. The company's captive iron ore mines have also been started which will bring down the cost of the raw material drastically. The company has also been allotted coal block in Raigarh district of Chhattisgarh. The company is also adding up capacity in steel making to integrate the operations and to become lowest cost producer of steel in its segment.

THREATS, RISKS & CONCERNS

A large number of sponge iron plants are coming up in unorganized sector which may result into oversupply in case the prices of coke comes down and Blast furnaces stop using sponge iron. However the company has integrated its operations and brought up capacity to a good size to get the benefits of economies of scale and plans to add up additional capacity to become a dominant player in the field. Apart from this, the Company has got captive iron ore mines in the nearby area and has power generation through waste heat recovery facilities to reduce its cost of production. As such the company is prepared to face competition and sustain its operations even in the worst scenario.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Sponge Iron

During the year under review the company produced 64303 MT of sponge iron as against 34189 MT in the previous period of 6 months. 24061 MT (Previous Period 17054 MT) of sponge iron was captively consumed in downstream for manufacturing of ingots. The sales realization during the year was about Rs.8800/- as against Rs. 6,200/- in the previous period.

Steel

During the year under consideration company produced 26993 MT of ingots against 19403 MT in Previous Period. The sales realization during the year was Rs.13075/- as against Rs.10,834/- in the previous period. The marketing activity of steel rolled products also contributed a sale of Rs.4783.67 lakhs as against Rs.743.84 lakhs in the previous period.

OUTLOOK

The Company is implementing major expansion programme both in sponge iron & steel. Though mining activities started in the year but mining in full swing will start only during the current year. These steps will bring down cost of production substantially. The increasing demand in the domestic market coupled with better sales realisation due to upturn in the steel sector will, barring unforeseen circumstances, prove a boon for the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Budget & Monthly Information System is backbone of our internal control system. Annual, quarterly & monthly budgets are prepared, reviewed & updated regularly. Actual operating parameters are closely monitored & compared with the budget and variations are analysed. All these are supported by computerised Monthly Information System. Regular review meetings are held to review the operational efficiencies, utilisation of fiscal resources and compliance with laws so as to ensure optimum utilisation of resources and achieve better efficiencies.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has achieved sales of Rs.128.57crores in the year as compared to Rs. 44.88 crores in the previous 6 months period of 2002-03 and earned a cash profit (after tax) of Rs.12.55 crores in the year as against Rs. 3.78 crores earned during the previous period.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Employee relations continue to be cordial. Training and development activities are identified, organised and progress monitored as part of human resource development activities.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities 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/supply and price conditions in the domestic markets in which the company operates, changes in the raw material prices, changes in the Government regulations, tax laws and other statutes and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Corporate Governance

Good Corporate Governance is essentially an integral part of values, ethics and the best business practices followed by the company. Company stresses upon the under mentioned core values:

- a) commitment to excellence and high standards of business practices,
- b) total customer satisfaction,
- c) optimising long term shareholder values,
- d) socially valued organisation,
- e) caring for people and environment,
- f) integrity including intellectual honesty, openness, fairness and trust.

The Company believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance and would constantly endeavour to improve these aspects.

2. Board of Directors

2.1 Composition

The Board of Directors comprises of six Directors, consisting of four Non-Executive as well as independent Directors who account for more than sixty percent of the Board's strength as against minimum requirement of fifty percent as per the Listing Agreement. The Non-Executive and independent Directors are eminent professionals having rich and sound experience in business, industry and finance.

The names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them in other companies are as under: -

Name of the Directors	Category	No. of other Directorship held *	No. of other Board/ committees member/ chairman	No. of Board Meetings attended	Last AGM attended
Mr. K.K. Sarda	Promoter Executive	3	–	9	No
Mr. G.K. Chhanghani	Whole time director Executive	–	–	5	Yes
Mr. Rakesh Mehra	Independent Non-Executive	3	–	3	No
Mr. G.D. Mundra	Independent Non-Executive	2	–	6	Yes
Mr. A.K. Basu	Independent Non-Executive	1	–	5	No
Mr. P.R. Tripathi **	Independent Non-Executive	–	–	2	No

* excluding Pvt. Ltd. companies. ** appointed w.e.f. 30-10-2003

As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the Directors hold directorship in more than 15 public companies, membership of Board Committees (Audit / Remuneration / Investor Grievance Committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

2.2 Number of Board Meetings held

Nine Meetings of the Board of Directors were held during the year ended 31st March, 2004 as under:

Date of Meeting	No. of Directors Present
02 nd May, 2003	3
20 th June, 2003	4
30 th June, 2003	2
29 th July, 2003	4
7 th September, 2003	4
28 th September, 2003	2
15 th October, 2003	2
30 th October, 2003	5
19 th January, 2004	4

2.3 Particulars of Directors seeking re-appointment

As required under Clause 49 VI (A), particulars of Directors seeking re-appointment at the ensuing Annual General Meeting to be held on 29th September 2004, are given as under:

- 1 a) Name : Shri Rakesh Mehra
- b) Age : 53 Years
- c) Qualification : Cost Accountant
- d) Director of the Company : Since July 1986
- e) Experience : He is Ex-General Manager of MPAVN and has more than 27 years outstanding experience in finance field.
- f) Other Directorships : 1. Econotech Services (P) Ltd.
2. Progressive Extractions & Exports Ltd.
3. Minwool Rock Fibres Ltd.
4. Enbee Institute of Medical Sciences Ltd.
- g) Member of Committees : Chairman – Remuneration Committee Member – Audit Committee and Shareholders' Grievance Committee in Raipur Alloys & Steel Limited
- 2 a) Name : Shri Asit Kumar Basu
- b) Age : 53 Years
- c) Qualification : BME
- d) Director of the Company : Since January, 2003
- e) Experience : He has more than 35 years outstanding experience in finance and industry.
- f) Other Directorships : 1. Online Capital Markets Ltd
2. Express Insurance Academy Pvt. Ltd
3. Investrade (P) Ltd
- g) Member of Committees : Member – Audit Committee
Member – Remuneration committee
Member – Shareholders'/Investor Grievance Committee in Raipur Alloys & Steel Limited

Raipur Alloys & Steel Limited

- 3 a) Name : Shri Prabhakar Ram Tripathi
 b) Age : 60 Years
 c) Qualification : B.Sc. Hons., Mining Engineering
 d) Director of the Company : Since October, 2003
 e) Experience : 40 years in Mining Industry and is the ex-CMD of National Minerals Development Corporation.
 f) Other Directorships : 1. Minman Consultancy Services (P) Ltd.
 g) Member of Committees : Remuneration Committee in Raipur Alloys & Steel Ltd.

2.4 Remuneration

Executive Directors have been paid remuneration as per terms of their appointment as explained in note no. 8 of Schedule Q showing all elements of remuneration.

3. Audit Committee

The Company had constituted an Audit committee comprising three Non-Executive independent Directors in 2001. The terms of reference of the Committee are as per the provisions of Section 292 A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Company Secretary acts as secretary to the Audit Committee.

Two meetings of the committee were held during the year 2003-2004 on 30.10.2003 and 31-03-2004. The attendance particulars are as under:

Name of Chairperson / member	Meetings	
	Held	Attended
1. Mr. G.D. Mundra - Chairman	2	2
2. Mr. Rakesh Mehra - Member	2	-
3. Mr. A.K. Basu - Member	2	2

4. Remuneration Committee

The Company constituted a Remuneration Committee on 18th May, 2002 to determine the remuneration payable to Executive Directors. Shri Rakesh Mehra is the Chairman of the Committee and Shri P.R. Tripathi & Shri A.K. Basu are the members. All the members of the Committee are non-executive independent Directors.

Meeting of the Committee was held on 30.10.2003

5. Shareholders'/Investors' Grievance Committee

The company had constituted a Shareholders'/Investors' Grievance Committee on 6th February, 2002 with specific authority to look into the Shareholders'/Investors' Grievances.

The Shareholders'/Investors' Grievance Committee consists of Shri G.D. Mundra (Chairman), Shri A.K. Basu and Shri Rakesh Mehra as members. All the members are non-executive independent Directors.

- Name & Designation of the Compliance Officer : Shri P.K. Jain, Company Secretary.
- The number of complaints received during the year : 167 communications, mostly relating to transfer / dematerialisation /issue of duplicate shares were received during the period.
- The number of complaints not redressed at the end of the year. : All the complaints have been attended satisfactorily
- Number of pending share transfers : All the requests for transfer received during the year were transferred.

6. General Body Meetings

The venue, date and time of the last three Annual General Meetings were as under:

Date	Time	Location
31 st December 2001	11.00a.m.	Regd. Office - 73-A, Central Avenue, Nagpur
31 st March 2003	3.30.p.m.	Same as above
30 th September 2003	4.30.p.m.	Same as above

There were no resolutions put through Postal Ballot.

7. Disclosure

Related Party transactions during the year have been disclosed in detail in note no.19 of Schedule Q, as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. These transactions are not likely to have any conflict with the company's interest.

Compliance of SEBI, Stock Exchange Requirements : The Company has complied with all the requirements of Companies Act, 1956 the Regulations of the Securities Exchange Board of India (SEBI) and the Listing Agreements with the Stock Exchanges. The arrears of listing fee amounting to Rs.192750/- to non-regional Stock Exchanges have been paid. The company has applied for delisting of its shares from the Stock Exchanges at Delhi, Cochin and Kolkata. The Cochin Stock Exchange has confirmed the delisting of the shares of the Company w.e.f. 4th May, 2004. There were no defaults or non-compliance relating to any of the statutory requirements. Neither penalties nor any strictures were imposed/passed against the company either by the SEBI or by the Stock Exchanges.

8. Means of Communication

Half yearly Report/Quarterly Results : Quarterly, half yearly and annual results are submitted to the Stock Exchanges in accordance with the Listing Agreement and published in English and Vernacular newspapers. The company has launched its website and the result of December quarter and onwards are available on the website of the company - www.rasindia.com. Neither official news releases have been made during the year nor any presentations have been made to the Institutional investors or to the analysts.

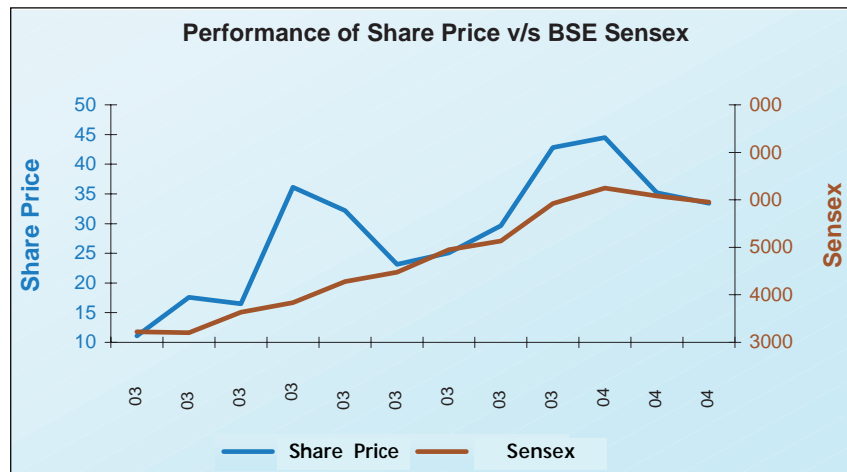
9. General Shareholder Information

Annual General Meeting :	Date 29 th September, 2004, Time 4.30 p.m. Venue 73-A, Central Avenue, Nagpur 400 018
Financial Calendar for 2004-2005 (Tentative)	
Financial Results for the Quarters ended :	
30 th June, 2004	4 th week of July, 2004
30 th September, 2004	4 th week of October, 2004
31 st December, 2004	4 th week of January, 2005
31 st March, 2005	4 th week of April, 2005 (if unaudited) 4 th week of June, 2005 (if audited)
Annual General Meeting	September, 2005.
Date of Book Closure	03-07-2004 to 06-07-2004
Dividend Payment Date	On or after 29 th September, 2004
Listing on Stock Exchanges	The shares of the Company are listed on the following Exchanges: 1) The Stock Exchange, Mumbai (504614) 2) The Calcutta Stock Exchange Assn. Ltd. 3) The Delhi Stock Exchange Assn. Ltd. The Company has paid annual listing fees to the Regional Stock Exchange for the financial year 2004-05. ISIN no. NSDL & CDSL : INE385C01013

Raipur Alloys & Steel Limited

Market Price Data : High/ Low during the year 2003-2004

Month	Stock Exchange Mumbai (BSE) in Rs.		BSE Sensex	
	High	Low	High	Low
April 03	11.10	6.80	3221.90	2904.44
May 03	17.60	7.05	3200.48	2934.78
June 03	16.48	12.05	3632.84	3170.38
July 03	36.15	16.10	3835.75	3534.06
August 03	32.20	21.90	4277.64	3722.08
September 03	23.15	16.85	4473.57	4097.55
October 03	25.05	17.15	4951.11	4432.93
November 03	29.65	22.35	5135.00	4736.70
December 03	42.80	26.65	5920.76	5082.62
January 04	44.50	34.35	6249.60	5567.68
February 04	35.20	30.10	6082.80	5550.17
March 04	33.40	27.10	5951.03	5324.78



Registrar & share Transfer Agents:
(for Electronic Transfer only)

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W), Mumbai- 400 078.
Tel. : 022-25923837 Fax: 022-25672693
Email : nikunj@intimespectrum.com

For Physical Segment

Light House Systems, C-22, Yugdharma Complex, 4th Floor
Central Bazar Road, Ramdaspath, Nagpur – 440 010
Tel. : 0712-2520657 Fax 0712-2526095
Email: khator_ngp@sancharnet.in

(SEBI has vide its notification no. D&CC/FITTC/CIR-15/2002 dated 27-12-2002 prescribed to have common registrar and transfer agent for both demat & physical segments. Company is in dialogue with various registrars and transfer agents to finalise the issue.)

Share Transfer system

Share transfers in physical form can be lodged with Light House System at the above-mentioned address. Transfers are normally processed within the stipulated time, if the documents are complete in all respects. All share transfers are approved by the share transfer committee or the persons authorised by the Board.

Shareholding Pattern as on 31st March, 2004.

S.No.	Category	No. of Shares	Percentage
1	Promoters (including Persons acting in concert)	9286556	71.00
2	Institutional Investors	140212	1.07
3	Corporate Bodies	450988	3.45
4	NRIs / OCBs	3300	0.03
5	General Public	3198944	24.45
	TOTAL	13080000	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2004

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% to Total	Rs.	% to Total
Upto 5000	11,898	95.98	1,59,99,410	12.23
5001-10000	289	2.33	35,09,320	2.68
10001-20000	110	0.89	27,11,030	2.07
20001-30000	18	0.15	11,18,980	0.86
30001-40000	9	0.07	6,82,640	0.52
40001-50000	7	0.06	8,85,430	0.68
50001-100000	20	0.16	35,98,250	2.75
100001 and above	45	0.36	10,22,94,940	78.21
TOTAL	12,396	100.00	13,08,00,000	100.00

Raipur Alloys & Steel Limited

Dematerialisation of Securities	:	The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31.03.2004 out of the total 13080000 equity shares held by about 12396 shareholders, approximately 29,93,542 equity shares held by 2934 shareholders representing 21.09 % of the total paid up equity capital have been dematerialised.
Plant Location	:	The plant of the company is located at "Industrial Growth Centre" Siltara, Raipur.
Address for Correspondance	:	Raipur Alloys & Steel Limited Industrial Growth Centre, Siltara, Raipur [C.G.] 493 111 Ph.: 5093925-28. E-Mail: finance@raslindia.com

CERTIFICATE

To the Members of

Raipur Alloys & Steel Limited

I have examined the compliance of conditions of Corporate Governance by Raipur Alloys & Steel Limited, for the period ended 31st March 2004 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and the representations made by the Directors and the management, I certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

(M.M. JAIN)

Chartered Accountant

Place : Nagpur

Date : 29-05-2004

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2004

Employed throughout the financial year under review and were in receipt of remuneration for the Financial Year in the aggregate of not less than Rs.24,00,000/- per annum:

Sl. No.	Name	Age	Qualification	Designation	Nature of Duties	Commencement of Employment	Experience (years)	Remuneration (Gross Rs.)	Particulars of Last Employment, Last Post, Employer (No. of years)
1.	Shri K.K. Sarda	52	B.E. (Mech.)	Chairman & Managing Director	Overall Management & Administration	16.12.78	28	64,50,156/-	N.A.

Notes :

1. The employment is contractual in nature.
2. Other terms and conditions are as per Company's Rules / Scheme
3. Remuneration as shown above includes Salary, Allowance, Commission, Contribution to Provident Fund, and other perquisites as per company's Rules.

AUDITORS' REPORT

To the Members of
Raipur Alloys & Steel Limited

I have audited the attached balance sheet of "Raipur Alloys & Steel Limited, Nagpur" as at 31st March, 2004, and also the profit and loss account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

1. I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India, in terms of sub section (4A) of Section 227 of the Companies Act, 1956 I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to my comments in the Annexure referred to above, I report that :
 - (i) I have obtained all the information and explanation, which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - (ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - (iii) The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
 - (iv) In my opinion, the balance sheet and the profit and loss account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on 31st March 2004, and taken on record by the Board of Directors, I report that none of the director is disqualified as on 31st March 2004 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts gives the informations required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of the affairs of the Company, as at 31st March, 2004; and
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

NAGPUR
DATED : 29th May 2004

(M.M. JAIN)
Chartered Accountant
M.No: 5727

Annexure referred to in paragraph 3 of my report of even date

- (i) (a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company in my opinion has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified at reasonable intervals by the management.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company had taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2.72 crores and the year end balance of loan taken from such company was Rs. NIL. The company has not granted any loan to the parties covered under section 301 of the Companies Act, 1956.
- (b) In my opinion, the rate of interest and other terms & conditions on which loan was taken from a company listed in the register maintained under section 301 of the Companies Act, 1956 are not *prima facie*, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- (d) There is no overdue amount of loan taken from a company listed in the register maintained under section 301 of the companies Act, 1956.
- (iv) In my opinion and according to the information & explanations given to me, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no major weaknesses in internal controls requiring correction.
- (v) (a) According to the information & explanations given to me, the transactions that need to be entered in the register in pursuance of section 301 of the Companies Act have been so entered.
- (b) In my opinion and according to the information & explanation given to me, the transactions made in pursuance of contracts and arrangement entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 500000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public.
- (vii) The company is having an internal audit system which needs to be strengthened to make it commensurate with the size of the company and nature of its business.
- (viii) I have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Govt. for the maintenance of cost records under section 209 (l) (d) of the Companies Act, 1956 and I am of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- (ix) (a) The company in my opinion is regular in depositing undisputed statutory dues including provident fund, employees' state insurance tax, sales tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to me, no undisputed amount payable in respect of sales tax, custom duty, wealth tax, excise duty and cess were in arrears as at 31.03.2004, for a period of six month from the date they become payable.
- (c) According to the information and explanation given to me, there are no dues of sales tax, income tax, custom duty, wealth tax, and cess which have not been deposited on account of any dispute except Excise Duty of Rs.183.94 Lacs and 11.09 Lacs in dispute pending before High Court and CEGAT respectively.

- (x) The company has no accumulated losses at the end of the financial year and has not incurred cash losses during such financial year and in the financial year immediately preceding such financial year also.
- (xi) In my opinion and according to the information and explanation given to me, the company has not defaulted in repayment of dues to a financial institution or bank and there are no debenture holders.
- (xii) According to the information and explanation given to me, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly the provision of clause 4 (xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provision of clause 4 (xiv) of the companies (Auditor Report) order 2003 are not applicable to the company.
- (xv) According to the information and explanations given to me, company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In my opinion, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to me and an overall examination of balance sheet of the company, I report that no funds raised on short-term basis have been used for long-term investment and vice versa.
- (xviii) The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and in my opinion the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my Audit.

NAGPUR
DATED : 29th May 2004

(M.M. JAIN)
Chartered Accountant
M.No: 5727

BALANCE SHEET AS AT 31st MARCH 2004

		SCHEDULE	AS AT 31.03.2004 (Rupees)	AS AT 31.03.2003 (Rupees)
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a)	Capital	A	130,800,000	65,400,000
b)	Reserves & Surplus	B	341,321,864	128,232,683
			472,121,864	193,632,683
2. LOAN FUNDS				
a)	Secured Loans	C	290,287,073	381,623,347
b)	Unsecured Loans	D	12,553,865	65,759,269
			302,840,938	447,382,616
3. DEFERRED TAX LIABILITY (NET)				
TOTAL			858,037,111	750,272,525
II. APPLICATION OF FUNDS				
1. FIXED ASSETS				
a)	Gross Block	E	723,277,625	712,283,647
b)	Less : Depreciation		328,528,040	320,374,015
c)	Net Block		394,749,585	391,909,632
d)	Add : Capital Work in Progress		208,117,410	8,463,692
			602,866,996	400,373,324
2. INVESTMENTS (AT COST)				
			5,000	5,000
3. CURRENT ASSETS, LOANS & ADVANCES				
a)	Inventories	G	143,337,819	95,056,813
b)	Sundry Debtors	H	105,345,139	87,176,246
c)	Cash & Bank Balances	I	11,613,092	5,428,545
d)	Other Current Assets	J	88,953,820	137,435,610
e)	Loans & Advances	K	64,580,021	37,234,885
			413,829,891	362,332,099
LESS : CURRENT LIABILITIES & PROVISIONS				
a)	Current Liabilities	L	52,382,550	50,279,656
b)	Provisions		108,939,315	0
			161,321,865	50,279,656
NET CURRENT ASSETS				
			252,508,026	312,052,443
4 MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Project Expenses			2,657,088	2,498,282
Profit and Loss Account			0	35,343,477
			2,657,088	37,841,759
TOTAL				
			858,037,111	750,272,525
Accounting Policies and Notes to the Accounts		Q		

As per my report of even date attached

(M. M. Jain)
Chartered Accountant

(K. K. Sarda)
Chairman &
Managing Director

(G. K. Chhanghani)
Executive
Director

(P. K. Jain)
Company
Secretary

Nagpur
Dated :29th May 2004

Mumbai
Dated :29th May 2004

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2004

	SCHEDULE	Year ended 31.03.2004 (Rupees)	Period ended 31.03.2003 (Rupees) (6 months)
INCOME			
Sales		1,285,676,171	448,798,327
Other Income	M	1,385,667	35,054
Closing Stock of Finished Goods		74,274,381	31,824,880
TOTAL		1,361,336,219	480,658,261
EXPENDITURE			
Opening Stock of Finished Goods		31,824,880	12,317,509
Purchase of Goods		446,912,138	68,581,252
Raw Materials Consumed	N	450,393,291	194,719,969
Stores & Spares Consumed		29,200,067	17,130,326
Power		53,031,655	45,262,077
Payments & Other benefits to employees	O	19,946,464	12,224,909
Manufacturing & Other Expenses.	P	50,530,665	22,313,901
Excise duty		112,320,531	53,046,029
Other Taxes & Duties		778,869	17,010
Interest (net)		3,417,185	2,225,689
Loss on Sale of Fixed Assets(net)		4,012,997	5,964,868
Depreciation		34,485,203	17,243,736
TOTAL		1,236,853,944	451,047,275
PROFIT FOR THE YEAR		124,482,275	29,610,986
(Before Tax and Exceptional / Extraordinary items)			
Add : Extra Ordinary Item		222,768,171	141,040,792
Less : Provision for demand raised in earlier years by CSEB		68,420,000	0
PROFIT BEFORE TAX		278,830,446	170,651,778
Less: Provision for Income Tax		37,500,000	15,000,000
Less: Provision for Deffered Tax Liability/(Assets)		(26,182,917)	194,557
		11,317,083	15,194,557
NET PROFIT FOR THE YEAR		267,513,363	155,457,221
Balance brought forward from last year		(35,343,477)	(190,800,698)
PROFIT AVAILABLE FOR APPROPRIATION		232,169,886	(35,343,477)
APPROPRIATION			
Proposed Dividend		32,700,000	0
Tax on Dividend		4,189,688	0
Transfer to General Reserve		35,000,000	0
		71,889,688	0
Surplus Carried to Balance Sheet		160,280,198	(35,343,477)
Basic/Diluted Earning Per Share		25.83	23.77
Accounting Policies and Notes to the Accounts	Q		

As per my report of even date attached

(M. M. Jain)
Chartered Accountant**(K. K. Sarda)**
Chairman &
Managing Director**(G. K. Chhanghani)**
Executive
Director**(P. K. Jain)**
Company
SecretaryNagpur
Dated :29th May 2004Mumbai
Dated :29th May 2004

**SCHEDULE 'A' TO 'Q' ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

	AS AT 31.03.2004 (Rupees)	AS AT 31.03.2003 (Rupees)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Equity shares of Rs.10/- each	150,000,000	120,000,000
3,00,000 Cumulative convertible preference shares of Rs.100/- each	0	30,000,000
	150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP		
1,30,80,000 (65,40,000) Equity shares of Rs.10/- fully paid up (Of the above shares, 6,00,000 Shares are allotted as fully paid-up by way of bonus shares by capitalisation of reserves.)	130,800,000	65,400,000
SCHEDULE 'B' - RESERVE & SURPLUS		
A. CAPITAL RESERVE		
Opening Balance	5,132,183	2,898,500
Add : Loan from Financial Institutions no more payable	17,808,983	2,233,683
	22,941,166	5,132,183
B. SHARE PREMIUM ACCOUNT		
	123,100,500	123,100,500
C. GENERAL RESERVE		
Opening Balance	0	0
Add : Transfer from Profit & Loss A/c	35,000,000	0
Closing Balance	35,000,000	0
D. PROFIT AND LOSS ACCOUT		
Balance carried Forward	160,280,198	0
TOTAL	341,321,864	128,232,683
SCHEDULE 'C' - SECURED LOANS		
(A) TERM LOAN		
i) From financial institutions	0	114,857,358
Interest accrued and due	0	242,773,596
	0	357,630,954
ii) From Housing Development Finance Corp.Ltd.	1,276,801	1,485,197
iii) From Banks	196,419,357	0
iv) Interest free sales tax loan	313,036	313,036
v) From others	13,183,768	577,199
	211,192,962	360,006,386
(B) WORKING CAPITAL LOANS FROM BANKS		
Cash Credit	79,094,111	21,616,961
TOTAL	290,287,073	381,623,347

NOTES TO SCHEDULE 'C' - SECURED LOANS

- 1) Term loans from banks are secured by *pari-passu* charge by way of hypothecation of all movable assets of the company and equitable mortgage of company's immovable assets (yet to be created) subject to prior charge of Bank of Baroda to secure short term loan from them and also of company's bankers on stock and book debts for providing working capital facilities.
- 2) Cash credit from banks is secured by first charge on stock & book debts and second charge on all present and future movable Plant & Machinery and immovable fixed assets of the company on *pari-passu* basis.
- 3) Term Loans & Cash credit facilities from banks are also secured by personal guarantee of Mr. K.K. Sarda & Mr. Manish Sarda.
- 4) Term Loan from Housing Development Finance Corporation Ltd. to be used for onward, lending to the company's employees for construction/acquisition of houses, is secured against assets acquired from such loans by the employees and personal guarantee of the Managing Director.
- 5) Interest free Sales-Tax loan is secured by charge on all assets of the company and ranks subsidiary and secondary to the charges and mortgage in favour of the Banks.
- 6) Term Loans from Others are secured by hypothecation of vehicles acquired against such loan.

SCHEDULE 'D' - UNSECURED LOANS

From Bodies Corporate
Sales Tax Defferment Account
TOTAL

AS AT 31.03.2004 (Rupees)	AS AT 31.03.2003 (Rupees)
5,812,779	62,188,027
6,741,086	3,571,242
12,553,865	65,759,269

SCHEDULE 'E' - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2003	Additions	Transfer/ Sales	As on 31.03.2004	Upto 31.03.2003	During the year	Transfer/ Adjustments	As on 31.03.2004	As on 31.03.2004	As on 31.03.2003
1. Lease Hold Land	4,365,818	0	0	4,365,818	0	0	0	0	4,365,818	4,365,818
2. Free Hold Land	5,002,007	118,186	0	5,120,193	0	0	0	0	5,120,193	5,002,007
3. Mining Rights	23,474,710	121,273	0	23,595,983	0	69,707	0	69,707	23,526,276	23,474,710
4. Buildings	97,887,300	26,015,075	6,292,741	117,609,635	28,055,049	2,695,962	2,702,911	28,048,100	89,561,535	69,770,441
5. Plant & Machinery	560,068,273	4,510,306	32,166,825	532,411,754	277,435,816	29,138,471	23,000,992	283,573,295	248,838,459	282,331,236
6. Furniture, Fixture & Equipments	16,932,349	1,893,781	0	18,826,130	13,199,201	802,085	0	14,001,287	4,824,844	4,096,180
7. Vehicles	4,553,190	18,250,895	1,455,973	21,348,112	1,683,949	1,778,977	627,277	2,835,650	18,512,462	2,869,240
Total	712,283,647	50,909,517	39,915,539	723,277,625	320,374,015	34,485,203	26,331,179	328,528,040	394,749,585	391,909,632
PREVIOUS YEAR	707,064,940	27,595,537	22,376,830	712,283,647	313,047,642	17,243,736	9,917,363	320,374,015	391,909,632	394,017,297
Capital work in progress (Including advances for capital expenditure and Stock of capital items of Rs. 604.43 Lacs (Nil))				208,117,410 (8,463,692)					208,117,410 (8,463,692)	

Raipur Alloys & Steel Limited

	AS AT 31.03.2004 (Rupees)	AS AT 31.03.2003 (Rupees)
SCHEDULE 'F' - INVESTMENTS (At cost)		
01. National saving certificates	4,000	4,000
02 100 Equity Shares of Rs.10/- each of Chhattisgarh Electricity Company Ltd.	1,000	1,000
TOTAL	5,000	5,000
SCHEDULE 'G' - INVENTORIES		
(As certified by the management)		
Stores and Spares	21,920,199	26,908,624
Raw materials	47,143,239	36,323,309
Finished goods	74,274,381	31,824,880
TOTAL	143,337,819	95,056,813
SCHEDULE 'H' - SUNDRY DEBTORS		
(Unsecured considered good)		
Exceeding six months	2,802,090	1,972,216
Other Debts	102,543,049	85,204,030
TOTAL	105,345,139	87,176,246
SCHEDULE 'I' - CASH AND BANK BALANCES		
Cash in hand	1,000,365	2,309,331
Balance with Scheduled Banks	10,612,727	3,119,214
TOTAL	11,613,092	5,428,545
SCHEDULE 'J' - OTHER CURRENT ASSETS		
Cenvat Credit & PLA (unutilised)	8,652,589	1,065,772
Prepaid expenses	322,242	326,398
Security and other deposits	79,123,906	135,471,372
Claims Receivable	0	1,398
Sales Tax Recoverable	855,083	570,670
TOTAL	88,953,820	137,435,610
SCHEDULE 'K' - LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans to employees	149,639	74,149
Advances recoverable in cash or in kind or for value to be received :		
To suppliers	63,873,647	35,883,777
To Others	556,734	199,991
Income-tax advance and TDS (Net of provision)	0	1,076,968
TOTAL	64,580,021	37,234,885

	AS AT 31.03.2004 (Rupees)	AS AT 31.03.2003 (Rupees)
SCHEDULE 'L' - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	36,300,772	22,971,898
Other liabilities	13,040,551	22,499,112
Advances and deposits	3,041,227	4,808,646
	52,382,550	50,279,656
PROVISIONS		
Income Tax provision(Net of Advance Tax)	3,629,627	0
Proposed Dividend	32,700,000	0
Tax on dividend	4,189,688	0
Provision for demand raised in earlier years by CSEB	68,420,000	0
	108,939,315	0
TOTAL	161,321,865	50,279,656
	YEAR ENDED 31.03.2004 (Rupees)	PERIOD ENDED 31.03.2003 (Rupees) (6 months)
SCHEDULE 'M' - OTHER INCOME		
Miscellaneous Income	606,518	35,054
Sundry balances written back (Net)	779,149	0
TOTAL	1,385,667	35,054
SCHEDULE 'N' - RAW MATERIAL CONSUMED		
Opening Stock	36,323,309	29,713,323
Add : Purchases	458,661,564	201,329,955
Add : Cost of Material Produced	2,551,657	0
	497,536,530	231,043,278
Less : Closing Stock	47,143,239	36,323,309
TOTAL	450,393,291	194,719,969
SCHEDULE 'O' - PAYMENTS AND OTHER BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus and Other allowances	16,331,790	7,850,885
Staff Welfare expenses	1,705,369	577,336
Contribution to Provident and other funds	1,909,305	3,796,687
TOTAL	19,946,464	12,224,908

Raipur Alloys & Steel Limited

	YEAR ENDED 31.03.2004 (Rupees)	PERIOD ENDED 31.03.2003 (Rupees) (6 months)
SCHEDULE 'P' - MANUFACTURING AND OTHER EXPENSES		
Plant Operation Expenses	3,714,440	2,744,314
Travelling and Conveyance	2,280,990	859,720
Rents, rates and taxes	1,114,358	716,489
Insurance	3,019,911	2,723,277
Repairs and Maintenance to -		
Building	796,373	205,193
Plant and Machinery	3,626,223	1,077,258
Others (including vehicles)	527,685	399,190
Bank charges and commission	2,028,165	933,368
Carriage outwards	16,706,830	6,876,585
Selling Commission and Brokerage	2,342,447	691,303
Professional & legal charges	1,839,966	1,290,536
Establishment and other Expenses	5,748,157	1,979,448
Directors remuneration	6,495,060	823,018
Irrecoverable balances and bad debts written off(net)	0	873,290
Payment to auditors	290,060	120,911
TOTAL	50,530,665	22,313,900

SCHEDULE "Q" : ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**I) SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTION AND REVENUE RECOGNITION**

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting, in accordance with the generally accepted accounting principals in India and the provisions of the Companies Act, 1956.

2. FIXED ASSETS

Fixed assets are stated at cost of acquisition / construction, net of Cenvat Credit less accumulated depreciation. Cost includes interest on specific borrowings and other funds and all expenditure and costs incurred during construction and trial run period.

3. DEPRECIATION

Depreciation on fixed assets is provided at the rates specified in the Schedule XIV of the Companies Act, 1956 as under:-

- (i) On Plant and Machinery and related Building installed /constructed before 1.4.1983 and all other assets including vehicles and office equipments on written down value method.
- (ii) On all other Plant and Machinery excluding vehicles and office equipments and related Building installed/constructed after 31.3.1983 on straight line method.
- (iii) Mining Rights are amortised over lease period.

4. VALUATION OF INVENTORIES

Valuation of inventories has been made as under:

- (i) Stores and Spares : At cost (Net of Cenvat, on weighted Average basis)
- (ii) Raw Materials : At cost (Net of Cenvat, on FIFO basis)
- (iii) Finished Goods : At lower of cost and net realisable value.

5. RETIREMENT BENEFITS TO EMPLOYEES

Liability of Gratuity is covered under group gratuity scheme of LIC and premium payable is charged to revenue on accrual basis.

Accumulated liability of encashable leave is accounted for on accrual basis.

6. SALES

Sales include sales of manufactured goods, trading goods, by-products and excise duty, and is net of Sales Tax , wherever applicable.

7. REFUND OF SALES TAX

Refund of sales tax paid on purchases of Raw Material / Incidental goods, to be received consequent upon Company's entitlement of exemption, is accounted for on receipt basis as in the past.

8. EXCISE DUTY

Excise Duty is paid on clearance of goods but is accounted for in the books on accrual basis. Accordingly provision for excise duty is made for goods lying uncleared.

9. FOREIGN CURRENCY TRANSACTIONS

- a) Year-end balance of foreign currency transactions except transactions covered by Forward Foreign Exchange Contracts is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.
- b) In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognized as income or expense over the life of the contract except for contracts relating to liabilities incurred for purchase of Fixed Assets, the difference thereof is adjusted in the carrying amount of respective Fixed Assets.

II) NOTES TO ACCOUNTS

- 1) Estimated amount of contracts remaining to be executed on Capital Account, net of advance given - Rs. 766.89 Lacs (Pre. Year - Rs. 685.62 Lacs).
- 2) Contingent liabilities not provided for in respect of –
 - (i) Guarantee given by Company's Bankers - Rs.30 Lacs (Pre.Year - Rs.52.21 Lacs).
 - (ii) Outstanding Letters of Credit - Rs. Nil (Pre.Year - Rs. 196.29 Lacs).
 - (iii) Bills discounted with the Company's Bankers under Letters of credit - Rs.40.79 Lacs (Pre.Year Rs.33.84 Lacs).
 - (iv) Claim against the Company not acknowledged as debt & disputed in appeal – Rs.57 Lacs (Pre. Year – Rs.41 Lacs).
 - (v) Revised demand raised by C.G. Electricity Board towards Minimum Demand Charges for the period 10th May'1997 to 31st May'1997, which the company has disputed since it is not liable to pay such demand in terms of agreement – Rs.38.96 Lacs (Pre.Year - Rs.38.96 Lacs).

Raipur Alloys & Steel Limited

- (vi) Entry tax demand of Rs.19 Lacs for the period 30.3.92 to 31.3.96 on purchases of Plant & Machinery and Building materials during project execution in view of the general Stay granted by the Govt. on all such assessments.
- (vii) Excise duty demand of Rs.183.94 lacs and 11.09 lacs raised on account of modvat credit availed which the company has disputed in High Court and CEGAT respectively.
- 4) Show cause notices have been received by the company from the Excise Department for reversal of modvat credit of Rs.3.16 Lacs (Prev. Year 145.41 Lacs) availed by it, which the company has not accepted & replied suitably.
- 5) The amount of term loan of Rs.178.09 Lacs & interest thereon Rs.2227.68 Lacs waived by the Financial institutions during the year under restructuring scheme approved by them has been credited to capital reserve a/c and Profit & Loss a/c respectively.
- 6) Certain balance under Sundry Debtors and Loans & Advances are subject to confirmation, reconciliation and consequent adjustment, if any.
- 7) Cost of iron ore produced excludes amount charged to wages and salaries and other revenue expenditure.
- 8) Directors remuneration is as under:-

	2003-04 (12 Months)	2002-2003 (6 Months)
i. Salary, Allowances etc.to Managing Director & Whole time Director	Rs.16,95,060	Rs. 8,23,018
ii. Perquisite	Rs. 2,46,096	Rs. 1,76,917
iii. Contribution to Provident Fund	Rs. 1,80,000	Rs. 90,000
iv. Commission to Managing Director	Rs.48,00,000	Nil
Total	Rs. 69,21,156	Rs. 10,89,935

Note : The above amount does not include contribution to gratuity fund, as separate figures are not available for the Managing Director & Whole time Director.

Computation of net profit in accordance with section 198 and 309 of the companies Act, 1956

	Rupees (In lacs)	Rupees (In lacs)
Profit before Taxes & extra ordinary Items	1244.83	296.11
Add : Managerial Remuneration debited to P/L A/c	69.21	10.90
Net Profit as per section 309(5)	1314.04	307.01
Commission to Managing Director (as determined by the Remuneration Committee)	48.00	Nil
(9) Payment to Auditors represents:		
a) Audit fees including service tax	Rs. 93,600/-	Rs. 63,000/-
b) For Taxation matters	Rs. 91,000/-	Rs. Nil
c) For Other services	Rs. 27,500/-	Rs. Nil
d) Reimbursement of travelling and out of pocket exp.	Rs. 33,560/-	Rs. 15,911/-
e) Tax audit fees including service tax (paid to a firm in which the statutory auditor is partner)	Rs. 44,400/-	Rs. 42,000/-
Total	Rs.2,90,060/-	Rs.1,20,911/-
10) There was no amount overdue & remaining unpaid to small scale and /or ancillary industrial suppliers on account of principal & for interest as at the close of the year. This disclosure is based on the information made available by the company.		
11) Loans to Employees include Rs.Nil due from a Director of the Company. Maximum balance outstanding during the period is Rs.50,000/-.		
12) Balance with Scheduled Banks represent:		
	31.3.2004	31.3.2003
i. Current Accounts	Rs.106,12,728	Rs. 27,51,506
ii. Fixed Deposit	Rs.Nil	Rs. 3,67,708
13) Interest includes		
	2003-04 (12 Months)	2002-03 (6 Months)
Interest on Term Loan	Rs. 30,87,527	Rs. 1,29,989
Interest on others	Rs. 3,29,658	Rs. 20,95,700

14) CAPACITY, PRODUCTION, SALES AND STOCK PARTICULARS OF EACH CLASS OF GOODS: (As certified by the Management) -**A. CAPACITY & PRODUCTION (IN MTs.)**

	Licensed	Installed	Production
i. Steel Billets	N.A.	1,00,000	Nil
	N.A.	(50,000)	Nil
ii. Steel Ingots/ Runner Riser	N.A.	40,000	28,031
		(20,000)	(20,138)
iii. Sponge Iron	N.A.	60,000	64,303
	N.A.	(30,000)	(34,189)

B. PURCHASES AND SALES PARTICULARS

Items	Purchase Qty. (MT)	Amount (Rs. in Lacs)	Sale Qty. (MT)	Amount (Rs. in Lacs)
i. Steel Ingot / Runner Riser	-	-	27106.88	4111.39
	(-)	(-)	(19234)	(2417.22)
ii. Rolled Products (Trading)	24381.13	4469.12	23819.97	4783.67
	(4510)	(685.81)	(4474)	(743.84)
iii. Sponge Iron	-	-	37826	3858.64
	(-)	(-)	(16052)	(1158.37)
iv. Byproducts	-	-	-	103.06
	(-)	(-)	(-)	(168.55)

Note : 1. Sale of Sponge iron is exclusive of 24061 MT of Sponge iron consumed internally for manufacture of steel ingots.

2. Sale of Runner Riser is exclusive of 342 MT of Runner Riser consumed internally for manufacture of steel ingots.

C. STOCK PARTICULARS OF GOODS PRODUCED

Items	Opening Stock		Closing Stock	
	Qty. (MT)	Value (Rs.in Lacs)	Qty. (MT)	Value (Rs.in Lacs)
(a) Steel:				
i) Ingots /Runner Riser	982	122.16	1564	226.66
	(233)	(26.16)	(982)	(122.16)
ii) Rolled Products (Trading)	36	5.42	597	127.28
	(31)	(4.86)	(36)	(5.42)
(b) Sponge Iron*	2174	190.67	4590	388.80
	(1091)	(92.14)	(2174)	(190.67)

* Includes value of By products.

15) CONSUMPTION OF IMPORTANT RAW MATERIALS, STORES AND SPARE PARTS

Items	Qty. (MT)	Value (Rs.in Lacs)
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A) RAW MATERIALS : (100 % Indigenous)

i) Iron & Steel Scrap	8011	791.15
	(5995)	(408.55)
ii) Iron Ore	97568	2367.35
	(53954)	(695.32)
iii) Coal	85627	1331.04
	(47546)	(757.78)
iv) Others	-	14.40
	(-)	(85.55)

Note : Consumption of iron & steel scrap is exclusive of 24061 MT of Sponge iron and 342 MT of Runner Riser produced internally.

Raipur Alloys & Steel Limited

B) STORES AND SPARE PARTS:

	Value (Rs. In Lacs)	Consumption (%)
i) Indigenous	292.00	100
	(171.30)	(100)
ii) Imported	-	-
	(-)	(-)

16) Expenditure in foreign exchange

	Value (Rs. in Lacs)
Spares and Spare parts on CIF Basis	141.79(-)
Staff Training Expenses	8.34(-)
Travelling Expenses	2.08(-)

17) Earning in foreign Exchange

Nil (-)

18) Accounting For Taxes on Income

In accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the aggregate of current years tax and deferred tax charged to the Profit and Loss account is determined in accordance with the laws based upon which income tax is payable as under:

Current Year Charge:

Current tax determined is the amount of tax payable in respect of taxable income for the financial year 2003-04.

Deffered Tax :

The Company has estimated the deffered tax charge using the applicable rate of taxation and the same has been charged to Profit & Loss Account. Accordingly deffered tax liability of Rs. 830.74 Lacs is disclosed under separate heading in the Balance Sheet as given below:

Deffered Tax Liability	Opening as at 01.04.2003 (Rs.)	Charges/ (Credit) during the period (Rs.)	Closing as at 31.03.2004 (Rs.)
On account of time difference :			
Depreciation	8,50,25,783	(19,51,474)	8,30,74,309
Power Charges	2,42,31,443	(2,42,31,443)	0
	10,92,57,226	(2,61,82,917)	8,30,74,309

19) Related Party Disclosure

I) Names of the related parties and description of relationship :

Sr. No.	Description of relationship	Name of Related Parties
01.	Associates	Chhattisgarh Electricity Company Ltd. Chhattisgarh Investments Ltd. Sarda Agriculture & Properties Pvt. Ltd. Prachi Agriculture & Properties Pvt. Ltd. Madhya Bharat Power Corp. Ltd.
02.	Key Management Personnel	Mr. Kamal Kishore Sarda
03.	Relative of Key Management personnel	Mrs. Shakuntla Devi Sarda Mrs. Uma Devi Sarda

II) Material Transactions with Related Parties: (Rs. In Lacs)

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Sale of Fixed Assets	45.00 (Nil)		
Purchase of Goods	283.40 (510.47)		
Sale of Goods	256.56 (172.95)		
Allotment of Equity shares	634.00 (Nil)	20.00 (Nil)	
Hire Charges Paid	Nil (2.20)		
Deposits/Advances accepted	Nil (352.53)		
Deposit received back	600.00 (Nil)		
Repayment of Loans	462.66 (Nil)		
Advance made	Nil (3.77)		
Interest Paid	2.54 (Nil)		
Remuneration		64.50 (8.89)	
Rent Paid			2.16 (0.36)
Outstanding as on 31.03.2004			
Receivable	600.00 (1200.00)	2.26 (0.83)	Nil (3.88)
Payable	57.99 (475.71)	Nil (0.12)	

Raipur Alloys & Steel Limited

20) Segment Reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company.

As part of secondary reporting, the Company has no geographical segment by location.

A) Business Segment: Primary -

(Rs. In Lacs)

Particulars	(2003-2004)			(2002-2003)		
	Sponge Iron	Steel	Total	Sponge Iron	Steel	Total
Revenue						
Sales and other income	3424.12	8309.44	11733.56	1138.38	2819.14	3957.52
Inter segment sales	2298.00	0.00	2298.00	1047.20	0.00	1047.20
Total Revenue	5722.12	8309.44	14031.56	2185.58	2819.14	5004.72
Result						
Segment Result	1120.89	418.19	1539.08	355.52	100.66	456.18
Unallocated Corporate Expenses			260.08			137.81
Operating Profit			1279.00			318.37
Interest (Net)			34.17			22.26
Profit before tax & Extra Ordinary items			1244.83			296.11
Add : Prior period adjustment			1543.48			1410.41
Less : Provision for taxation						
For Current Year			375.00			150.00
For Deferred Taxation			(261.83)			1.95
Profit After Tax			2675.13			1554.57
Other Information						
Segment Assets	6520.86	1914.78	8435.64	3748.23	1361.47	5109.70
Unallocated Assets			1757.95			2542.38
Total Assets			10193.59			7652.08
Segment Liabilities	1765.37	127.75	1893.12	13.37	168.34	181.71
Unallocated Liabilities			3579.25			5887.49
Total Liabilities			5472.37			6069.20
Capital Expenditure	2156.12	349.51	2505.63	32.42	34.02	66.44
Depreciation	267.52	31.58	299.10	129.93	13.04	142.97
Unallocated Capital Exp.& Depreciation			45.76			47.67
Non-cash Expenditure other than depreciation (Amortisation)			NIL			NIL

Notes : 1. Unallocated Assets include assets of inoperative mini steel plant, investments and Miscellaneous Expenditure.

2. Unallocated Liabilities include interest bearing liabilities and tax provisions.

21) Earning per Share

	Year ended 31.03.2004	Period ended 31.03.2003
Net Profit (Rs. in Lacs)	<u>2675.13</u>	<u>1554.57</u>
Weighted average number of Equity Shares for Basic/Diluted EPS	1,03,55000	65,40000
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic/ Diluted earning per share (Rs.)	25.83	23.77

22) The account for the current period is prepared for 12 months against 6 Months for the previous period and as such the previous year figures are not comparable.

The previous period figures are shown in bracket and have been regrouped / rearranged wherever necessary.

23) INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I Registration Details**

Registration no.16617 State Code 11 Balance Sheet date 31.03.2004

II Capital raised during the year (Amount in Rs.Lacs)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	654

III Position of mobilisation and Deployment of Funds: (Amount in Rs.Lacs)

Total Liabilities	8580.37	Total assets	8580.37
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Source of funds

Paid up Capital	1308.00	Reserve and Surplus	3413.22
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Secured loans	2902.87	Unsecured loans	125.54
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Deferred tax liability	830.74		
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Application of funds

Net Fixed assets	6028.67	Investments	0.05
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Net Current assets	2525.08	Misc. Expenditure	26.57
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Accumulated Losses	—		
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IV Performance of Company (Amount in Rs. Lacs)

Turnover	12856.76	Total Expenditure	10068.46
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Profit / (Loss) before tax	2788.30	Profit / Loss after tax	2675.13
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Earning per share in Rs.	25.83	Dividend rate %	25
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V Generic Name of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC CODE)	:	7207	Item Code No. (ITC CODE)	:	7203
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Product Description :	STEEL BILLETS/INGOT	Product Description :	SPONGE IRON
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SIGNATURE TO SCHEDULE "A" TO "Q"

As per my report of even date attached

(M. M. Jain)

Chartered Accountant

(K. K. Sarda)Chairman &
Managing Director**(G. K. Chhanghani)**Executive
Director**(P. K. Jain)**Company
Secretary

Nagpur

Dated :29th May 2004

Mumbai

Dated :29th May 2004

Raipur Alloys & Steel Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2004

PARTICULARS	Year ended 31.03.2004 (Rupees)	Period ended 31.03.2003 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax as per Profit & Loss Account	12,44,82,275	2,96,10,987
Adjustment for :		
Depreciation	3,44,85,203	1,72,43,736
Interest (Net)	34,17,185	22,25,689
(Profit)/ Loss on sale of fixed assets	40,12,997	59,64,867
	<u>4,19,15,385</u>	<u>2,54,34,292</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16,63,97,659	5,50,45,279
Adjustment for :		
Inventories	(4,82,81,006)	(2,51,69,515)
Trade and other receivable	(1,81,68,893)	7,13,32,014
Loans and Advances	2,11,36,654	(85,00,699)
Trade Payable	22,51,122	41,63,634
	<u>(4,30,62,123)</u>	<u>4,18,25,434</u>
CASH GENERATED FROM OPERATIONS	12,33,35,536	9,68,70,713
Direct Taxes (Net)	(3,40,18,602)	(1,48,51,771)
NET CASH FROM OPERATING ACTIVITIES	<u>8,93,16,934</u>	<u>8,20,18,942</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Miscellaneous Expenditure	(1,58,806)	(39,756)
Purchase of Fixed Assets including Capital WIP	(25,07,26,317)	(2,14,13,612)
Sale of Fixed Assets	97,34,446	64,94,599
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>(24,11,50,678)</u>	<u>(1,49,58,769)</u>
	(15,18,33,744)	6,70,60,173
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	0	0
Interest Paid (Net)	(2,34,22,610)	(52,39,069)
Issue of equity shares	6,54,00,000	0
Term loan from Banks (Net of repayment)	19,64,19,357	0
Repayment of Secured term Loan of Financial Institutions	(9,72,56,771)	(5,70,82,630)
Unsecured Loan/Share application money	(5,63,75,248)	5,11,26,616
Sales tax Defferment	31,69,844	18,79,400
Bank Borrowings	5,74,77,150	(5,32,32,091)
Loan against Hire purchase	1,26,06,569	3,50,057
NET CASH FROM FINANCING ACTIVITIES	<u>15,80,18,291</u>	<u>(6,21,97,717)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	61,84,547	48,62,456
CASH AND CASH EQUIVALENTS AS AT 01/04/2003 (Opening Balance)	54,28,545	5,66,089
CASH AND CASH EQUIVALENTS AS AT 31/03/2004 (Closing Balance)	1,16,13,092	54,28,545

Notes: (a) Figures in brackets represent outflows.

(b) Previous year figures have been recast/restated wherever necessary

As per my report of even date attached

(M. M. Jain)

Chartered Accountant

Nagpur

Dated : 29th May 2004

(K. K. Sarda)

Chairman &
Managing Director

(G. K. Chhanghani)

Executive
Director

Mumbai

Dated : 29th May 2004

(P. K. Jain)

Company
Secretary

AUDITOR'S CERTIFICATE

I have verified the above Cash Flow Statement of Raipur Alloys & Steel limited derived from the audited annual financial statements for the year ended on 31st March, 2004 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchange.

Nagpur

Dated : 29th May, 2004

M.M. Jain

Chartered Accountant

RAIPUR ALLOYS & STEEL LIMITEDTHIRTYFIRST ANNUAL
REPORT 2003-2004**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**

To,
Light House Systems Pvt. Ltd.,
C-22, Yugdharma Complex, 4th Floor,
Central Bazar Road, Ramdaspath
Nagpur

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please TICK whichever is applicable

For shares held in physical form	For Office use only
Folio No.	ECS reference no.
For shares held in electronic form	
DP Id	
CL Id	
Name of first holder	
Bank Name	
Branch Name	
Branch Code	

9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account Type	Saving		Current		Cash Credit	
--------------	--------	--	---------	--	-------------	--

Account no. as appearing on the cheque										
Effective date this mandate										

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Raipur Alloys & Steel Limited and or / Light House Systems Pvt. Ltd., will not be held responsible. I agree to avail the ECS facility provided by RBI as and when implemented by RBI / Raipur Alloys & Steel Limited

I further undertake to inform the Company any change in my Bank / branch and account number.

Signature of first holder :

Date :

Note : On dematerialisation of existing physical shares, for which you have availed ECS facility the above form needs to be re-submitted.



RAIPUR ALLOYS & STEEL LIMITED

BOARD OF DIRECTORS

Shri Kamal Kishore Sarda Chairman & Managing Director

Shri G.K. Chhanghani Executive Director

Shri G.D. Mundra

Shri Rakesh Mehra

Shri A.K. Basu

Shri P.R. Tripathi

COMPANY SECRETARY

Shri P.K. Jain

AUDITOR

Shri M.M. Jain, Chartered Accountant
Shreemohini, Kingsway, Nagpur

BANKERS

Union Bank of India
Bank of India
Bank of Baroda

REGISTERED OFFICE

73/A, Central Avenue, Nagpur 440 018, (M.H.)

REGISTRAR & SHARE TRANSFER AGENT

Light House Systems, C-22, Yugdharma Complex
Central Bazar Road, Ramdaspath, Nagpur 440 010
Tel. : 0712 - 2520657, 2541155, Fax No. : 2526095
E-mail : khator_nag@sancharnet.in

WORKS

Sponge Iron Division

Industrial Growth Centre, Siltara
Raipur 493 111 (C.G.)
Tel. : 0771-5093925-29
Fax. No. : 0771-5093924

Steel Division

Urkura Industrial Area, Raipur 493 221 (C.G.)



RAIPUR ALLOYS & STEEL LIMITED

Regd. Office : 73/A, Central Avenue, Nagpur 440 018, (M.H.)

PROXY FORM

I/We.....
of
being a Member / Member(s) of **RAIPUR ALLOYS & STEEL LIMITED**, hereby appoint
..... of or failing him/her
..... of or failing him/her
..... of as my / our proxy to
attend and vote for me / us on my / our behalf at the **31st Annual General Meeting** of the Company at 73/A, Central Avenue, Nagpur 440 018, (M.H.) to be held on 29th September, 2004 or at any adjournment thereof.

Folio No. _____ Client ID _____ DP ID _____

Signed this _____ day of _____ 2004

NOTE :

1. The Proxy form should be signed across the stamp as per specimen signature recorded with the Company.
2. The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Please Affix a Re. 1/- Revenue Stamp

Signature

TEAR HERE

TEAR HERE

ATTENDANCE SLIP



RAIPUR ALLOYS & STEEL LIMITED

Regd. Office : 73/A, Central Avenue, Nagpur 440 018, (M.H.)

I/We hereby record my/our presence at the **31st Annual General Meeting** of the Company held at 73/A, Central Avenue, Nagpur 440 018, (M.H.) to be held on 29th September, 2004

Name : _____

Regd. Folio No. : _____ No. of shares held _____

Client ID No. : _____ DP ID No. : _____

Name of Proxy / Representative, if any : _____

Signature of the Shareholder(s)/Proxy/Representative : _____

NOTE : Member / Proxy attending the Meeting must fill in this Attendance Slip and hand it over at the entrance of the venue of this Meeting.

BOOK-POST

If undelivered, please return to :

RAIPUR ALLOYS & STEEL LIMITED

73/A, Central Avenue,
Nagpur 440 018, (M.H.)