
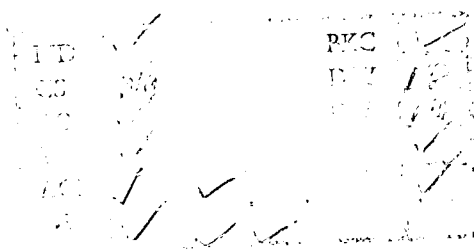


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For Ashirwad Steels & Industries Ltd.


Managing Director.



11th annual report

**FOR THE YEAR ENDED
31ST MARCH 1997**

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**ASHIRWAD STEELS
& INDUSTRIES LIMITED**

ASHIRWAD STEELS & INDUSTRIES LTD.

BOARD OF DIRECTORS :

Puranmal Agarwal, *Chairman*
Dalbir Chhibbar, *Managing Director*
Suresh Kr. Agarwal
Ashok Kumar
Yudhbir Chhibbar

AUDITORS :

M/s. Ashok Pradhan & Associates
Chartered Accountants

BANKERS :

The Federal Bank Ltd.
Allahabad Bank
State Bank of India
Bank of America

REGISTERED OFFICE :

1, Crooked Lane
Suit : 8B, Ground Floor
Calcutta - 700 069.

WORKS :

1. Uluberia Industrial Growth Centre,
Uluberia, Howrah, West Bengal.
2. Belumilky, Delhi Road, National Highway,
Serampore, Dist. Hooghly, West Bengal.
3. Village : Kishnapur
Near Urdana Check Post
Raigarh, M.P.

REGISTRARS & TRANSFER AGENTS :

Advance Management Services Private Ltd.
137, S. P. Mukherjee Road, 1st floor, Calcutta 700 026

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Company will be held at 1, Crooked Lane, Suite No. 8B, Calcutta-700 069 on Monday, the 29th September, 1997, at 10.00 a.m. for the following purposes :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Director's Report and the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss A/c. for the year ended on the date with the Auditors Report thereon.
2. To appoint Directors in place of Mr. Dalbir Chhibbar and Mr. Suresh Kumar Agarwal, who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

Place : Calcutta
Dated : 24th June 1997

By Order of the Board

Regd. Office : 1, Crooked Lane
Ground Floor, Calcutta-700 069.

Dalbir Chhibbar
Managing Director

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company. The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
A proxy may be sent in the form attached.
2. The Register of Members of the Company will remain closed from Monday, the 22nd September 1997 to Monday, the 29th September 1997 (both days inclusive).
3. Shareholders/Proxyholders are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
4. Members are requested to bring their copy of the Annual Report to the meeting.

ASHIRWAD STEELS & INDUSTRIES LTD.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors present their 11th Annual Report and Audited Statement of Accounts of your Company together with Auditors Report for the year ended 31st March, 1997 :-

	Current Year (31-3-1997) Rs.	Previous Year (31-3-1996) Rs.
FINANCIAL RESULTS		
Income from operations	5,16,97,217	4,33,02,671
Operating Profit before Interest, Depreciation and Taxation	42,10,803	53,14,421
Depreciation	27,53,695	20,06,596
Financial Charges	48,498	1,31,930
Profit before Taxation	14,08,610	31,65,895
Provision for Taxation	1,81,710	—
Profit after Taxation	12,26,900	31,65,895
ADD : Profit brought forward from last A/C	34,86,989	28,54,294
Profit available for appropriation	47,13,889	60,20,189
APPROPRIATIONS :		
General Reserve	—	5,00,000
Proposed Dividend (subject to tax)	—	20,33,200
Balance Carried forward	47,13,889	34,86,989

OPERATIONS :

During the year under review the Company achieved a turnover of Rs. 516.97 Lacs compared to Rs. 433.03 Lacs in the previous year. The quantity of Hydrocarbon (RLH) Gas bottled and sold fell down to 592 Metric Tonnes (previous year 675.26 Metric Tonnes). The fall in the volume is because of increased competition at both Uluberia and Raigarh Plants. Your Directors are however making all round efforts to sustain and increase the sale in the current year. The Company has not yet started marketing LPG to domestic sector due to very high cost of LPG which has made the operations unviable for the time being. The Company's Steel Tube Mill at Serampore, Dist. Hooghly, West Bengal continues to incur losses on account of low production due to heavy recession in the trade coupled with other problems such as non-availability of raw materials on time, power failure and labour unrest. The 2nd half of the financial year has been particularly bad compared to the 1st half. Efforts by your Directors are however continue to improve upon the performance of the tube mills and the bottling plants. Your Board is seriously considering diversification into other Fields/Activities to improve the profitability of the Company.

ASHIRWAD STEELS & INDUSTRIES LTD.**DIVIDEND :**

Due to inadequate profit and with a view to conserve resources for the business of the Company, your Directors do not recommend any dividend for the year under review.

PERFORMANCE VS. PROJECTIONS :

In terms of Clause 43 of the listing agreement, the comparison between the actual working results and those projected in the prospectus dated 30-12-94 are given below :-

	(Rupees in lacs)	
	Actuals for the year ended 31.3.97	Projected in Prospectus dated 30.12.94
i) Total Income	516.97	2,896.10
ii) Profit after Taxation	12.27	213.19
iii) Utilisation of Funds	385.62	404.34

The lower total income and profits are due to (1) Lower capacity utilisation of Steel Tube Mill due to recession in the trade resulting in lower demand and lower sales realization (2) L.P.G. marketing to domestic sector not commenced due to high cost of L.P.G.

FIXED DEPOSIT :

The Company has not accepted any deposits from the Public during the Year.

DIRECTORS :

Mr. Dalbir Chhibbar and Mr. Suresh Kumar Agarwal retire by rotation from the Board and being eligible offer themselves for re-appointment.

AUDITORS :

M/s Ashok Pradhan & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and they are also eligible for re-appointment.

As regards observations by the Auditors, the same are self-explanatory.

PERSONNEL :

No employee was in receipt of Salary exceeding the limits prescribed u/s 217(2A) of the Companies Act, 1956 and hence the Statement of Particulars of employees as required under that section is not applicable to your company this year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

As regards the information required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, your Directors give the following particulars to the extent applicable to your Company.

ASHIRWAD STEELS & INDUSTRIES LTD.**(A) CONSERVATION OF ENERGY :**

The power requirement at Company's Hydrocarbon Gas Bottling Plants are nominal as only bottling of Gas is being done. As regards Steel Tubes manufacturing plant, the same consumes electricity only. As already reported in the last year, the necessary power savings devices like capacitors have been installed at the plant.

(B) TECHNOLOGY ABSORPTION :

The company is using in-house technology and expertise for its hydrocarbon/LPG bottling plants. Regarding Steel-Tubes manufacturing Plant the technology thereof is wholly indigenous, conventional and well established in the Country. The Company has not made use of any Imported technology for its Products/Plants so far.

(C) FOREIGN EXCHANGE EARNINGS AND OUT-GO :

During the year under review there was no earning or expenses in foreign exchange.

The other informations pertaining to the above items are annexed hereto and from part of this Report.

ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the valued customers. Shareholders during the year under review. Your Directors also wish to place on record their appreciation for the contribution of the employees at all levels.

For and on behalf of the Board

Calcutta

Dated : 24th June, 1997.

P. M. AGARWAL

Chairman

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ASHIRWAD STEELS & INDUSTRIES LTD.

ANNEXURE TO DIRECTOR'S REPORT :

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION :

	Current Year 1996-1997	Previous Year 1995-1996
1. Electricity		
(a) Purchased		
Units	1,55,458	1,02,645
Total amount (Rupees)	13,98,915	11,56,649
Rate/Unit (Rupees)	9.00	11.27
(b) Own generation	Negligible	Negligible

Note :

The cost of electricity consumed per unit is high on account of payment of minimum demand and other charge. The Company has not consumed or used any coal or furnace oil etc. and hence the rest of the columns of this form are not applicable to the Company.

B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION/BOTTLING OF GAS.

i) Units consumed per Metric Ton of Hydrocarbon Gas bottled.	18.36	7.85
ii) Units consumed per Metric Ton of Steel Tubes produced	65.33	64.78

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

1. RESEARCH AND DEVELOPMENT

The Company has not so far carried out any major Research & Development work. The Company shall however undertake R & D work as per when required to improve the quality of its products. The Company has not introduced any expenditure on this account so far.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

Since no technology has been absorbed from outside, this item is not applicable to us. The Company, however, continues its efforts for upgradation of technology in order to improve the quality and reduce costs to the extent possible.

For and on behalf of the Board

Calcutta
Dated : 24rd June, 1997.

P. M. AGARWAL
Chairman