

13th annual report

**FOR THE YEAR ENDED
31ST MARCH 1999**

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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
Suite No. 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 : Kisnapur
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

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Company will be held at 1, Crooked Lane, Suite No. 8B, Calcutta-700 069 on Monday, the 27th September 1999, 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, 1999 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. Ashok Kumar 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 : 28th June, 1999

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 20th September, 1999 to Monday, the 27th September, 1999 (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 place.
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. Members are requested to notify immediately any change in their address to the Company or to its share transfer agents.
6. Pursuant to the newly enacted provisions of the Companies Act, 1956, members are informed that every holder of shares in a company may at any time nominate in the prescribed manner a person to whom his/her shares in the company shall vest in the event of his/her death.
7. Pursuant to Section 205A (5) of the Companies Act, 1956 as amended by the Companies (Amendment) Act 1999, with effect from 31.10.98, any money transferred to the unpaid Dividend Account of the Company in pursuance of Section 205A (1) and the Application money which remain unpaid & unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to the Investor Education & Protection Fund & no claim shall lie against the fund or the Company in respect of individual amount which remain unclaimed and unpaid for a period of 7 (seven) years from the date that they first became due for payment.

ASHIRWAD STEELS & INDUSTRIES LTD.**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Your Directors present their 13th Annual Report and Audited Statement of Accounts of your Company together with Auditors Report for the year ended 31st March, 1999 :-

	Current Year (31-3-1999) Rs.	Previous Year (31-3-1998) Rs.
FINANCIAL RESULTS		
Income from operations	6,11,85,685	5,12,34,515
Operating Profit before Interest, Depreciation and Taxation	39,60,053	56,02,719
Depreciation	29,82,968	31,32,579
Financial Charges	90,027	90,966
Profit before Taxation	8,87,058	23,79,174
Provision for Taxation	93,150	2,49,850
Profit after Taxation	7,93,908	21,29,324
Income Tax for earlier period	1,544	1,984
ADD : Profit brought forward from last A/C	68,41,229	47,13,889
Profit available for appropriation	76,33,593	68,41,229
APPROPRIATIONS :		
General Reserve	—	—
Proposed Dividend (subject to tax)	—	—
Balance Carried forward	76,33,593	68,41,229

OPERATIONS :

During the year under review the turnover of the Company was Rs. 611.85 Lacs compared to Rs. 512.34 Lacs in the previous year. The quantity of RLH/LP Gas bottled and sold was 625.70 Metric Tonnes during the year compared to previous year's figure of 703.83 M. Tonnes As reported last year the Company, however, has not yet started marketing LPG to domestic sector due to high cost of LPG and the continuation of subsidy to this sector by the Government through the Public Sector Oil Companies which makes private bottlers operations economically not viable for the time being.

As regards Steel Tube manufacturing unit at Serampore, Hooghly, W.B., the Company sold 4660.46 M/Tonnes of Steel Pipes (Previous year 1981.63 M/Tonnes). Your Directors are continuing their efforts to improve upon the performance of all the units of the Company with a view to increase the sales and profits. During the current year the net profits of the Company were Rs. 7.94 lacs (Previous year Rs. 21.29 lacs) which are being carried forward. Although the turnover of the Company increased, the resultant profitability was affected to a large extent due to steep hike in the cost of all inputs, overheads and increased competition and lower margin recovered on all the items.

DIVERSIFICATION PROJECT (SPONGE IRON) :

As reported to you in our last year's report, your Directors had planned to set up a Sponge Iron Manufacturing Unit with an annual capacity of 15000 tonnes per annum at Tatanagar which was supposed to be commissioned by March 1999. Due to unavoidable reasons the aforesaid Project has got delayed. However during the current year the construction work on the project has now commenced and orders for almost all Plant and Machinery have been placed. Your Directors are making all out efforts to complete and commission the project by March, 2000. Your Directors are very hopeful that with the implementation of this project the turnover and the profits of your Company will go up significantly.

DIVIDEND :

To conserve resources for the ongoing diversification project, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSIT :

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

DIRECTORS :

Mr. Ashok Kumar and Mr. Suresh Kumar Agarwal retire by rotation from the Board and being eligible offer themselves for re-appointment. Mr. Dalbir Chhibbar, the Managing Director of your Company was reappointed as Managing Director for a further period of 5 years by the members of the Company in the Extra Ordinary General Meeting held on Friday the 23rd April, 1999.

AUDITORS :

M/s Ashok Pradhan & Associates, Chartered Accountants, Auditors of the Company also 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 also.

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.

(A) CONSERVATION OF ENERGY :

The power requirement at Company's 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 earlier years, the necessary power saving devices like capacitors have been installed at the plant.

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(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 expense in foreign exchange.

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

LISTING OF COMPANY SHARES & LISTING FEES :

The Equity Share of the Company are listed at Calcutta, Mumbai & Delhi Stock Exchanges. The Company has paid the annual listing fees for the financial year 1997-1998, to all the Stock Exchanges, except Delhi Stock Exchange.

Y2K COMPLIANCE :

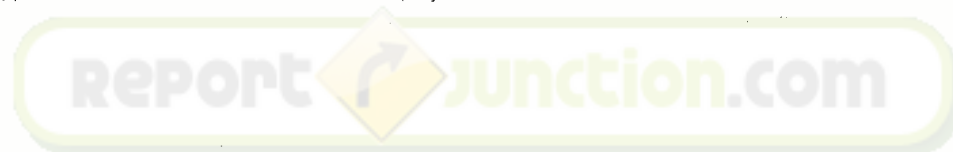
The Company is in the process of making the present computer system compliant with Y2K requirement. The cost of this is very nominal.

DUES TO SSI UNITS :

There are no small scale industrial units to whom any amount are outstanding for more than 30 days.

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 : 28th June, 1999

P. M. AGARWAL
Chairman