

15th annual report

**FOR THE YEAR ENDED
31ST MARCH 2001**

Report  junction.com



**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., Jamshedpur
 Allahabad Bank, Raigarh
 State Bank of India, Kolkata
 Citi Bank, Kolkata
 State Bank of India, Raigarh

REGISTERED OFFICE :

1, Crooked Lane
 Suite No. 8B, Ground Floor
 Kolkata - 700 069.

WORKS :

1. Uluberia Industrial Growth Centre,
 Uluberia, Howrah. West Bengal.
2. Village : Kisnapur
 Near Urdana Check Post
 Raigarh, M.P.
3. Plot Nos A1 A3 A5 & A7 Phase - V
 Adityapur Industrial Area
 Gamharia, Jamshedpur.

REGISTRARS & TRANSFER AGENTS :

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

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Company will be held at 1, Crooked Lane, Suite No. 8B, Kolkata-700 069 on Monday, the 24th September 2001, 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, 2001 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. Suresh Kumar Agarwal and Mr. Ashok Kumar who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

Place : Kolkata
Dated : 28th June, 2001

By Order of the Board

Regd. Office : 1, Crooked Lane, Suite No. 8B,
Ground Floor, Kolkata-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.
2. The Register of Members of the Company will remain closed from Monday, the 17th September, 2001 to Monday, the 24th September, 2001 (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 15th Annual Report and Audited Statement of Accounts of your Company together with Auditors Report for the year ended 31st March, 2001 :-

	Current Year (31-3-2001) Rs.	Previous Year (31-3-2000) Rs.
FINANCIAL RESULTS		
Operating Profit before Interest, Depreciation and Taxation	1,19,87,120	25,86,216
Depreciation	43,33,297	27,21,360
Financial Charges	25,43,276	5,35,033
Profit before Taxation	51,10,547	(-) 6,70,177
Provision for Taxation	12,47,000	—
Profit after Taxation	38,63,547	(-) 6,70,177
ADD : Profit brought forward from last A/C	69,63,416	76,33,593
Profit available for appropriation	1,08,26,963	69,63,416
APPROPRIATIONS :		
Balance Carried forward	1,08,26,963	69,63,416

OPERATIONS & FINANCIAL PERFORMANCE :

The performance of your Company during the year under review has been quite satisfactory. As reported by your Directors in their previous year's report; the Company's first unit to manufacture Sponge Iron commenced Commercial Production from 5.4.2000 with an annual installed capacity of 12000 M/Tonnes. Immediately after commencement of the aforesaid Plant, your Directors decided to further expand the capacity by installing 2nd Plant with an installed capacity of 12000 M/Tonnes. Your Directors are pleased to inform you that the expansion Project was complete and the expanded unit also started Commercial Production from 30.8.2000. Both the Plants have been running smoothly and very satisfactorily.

In view of good performance of these two Plants your Directors decided to further expand the capacity to manufacture Sponge Iron by installing a 3rd Plant of the same size and at the same premises at Adityapur Industrial Area, Jamshedpur. Accordingly, the construction work on the new 3rd unit started from April, 2001 onwards and barring unforeseen circumstances this new 3rd Plant will also start Commercial Production from August, 2001. After commissioning of the third plant the total Sponge Iron manufacturing capacity shall become 36000 M/Tonnes per annum.

As reported by the Board in their previous year's report; the Company's Steel Tube Manufacturing Unit located at Serampore, Dist. Hooghly, West Bengal was permanently closed down in the previous financial year. As this unit had absolutely no future, your Directors disposed off the fixed assets of the unit at the best available price so as to generate resources for the Sponge Iron Plant and also to eliminate the fixed overheads of the aforesaid unit. A part of the Fixed Assets of the said unit were transferred to Sponge Iron Unit at Jamshedpur and the same have been utilised thereat. The above decisions of your Directors was in the best interest of the Company.

The Company's LPG Bottling Plant at Uluberia, Howrah, West Bengal, has been leased out to M/s. SHV Energy North East Ltd. against fixed monthly lease rent. The Company's LPG Bottling Plant at Raigarh is continuing operations despite competition and other odds.

The financial performance of the Company during the year under review is quite good. The total income/turnover of the Company during the year under review was Rs. 13.30 Crore (Previous year Rs. 4.51 Crores). The net results of the year is a net profit of Rs. 38.64 lacs (Previous year a net loss of Rs. 6.7 lacs). The net profit would have been higher but for loss of Rs. 53.47 lacs on account of sale of fixed assets of Steel Tube Manufacturing Unit. Your Directors are optimistic of much better and improved results during the current financial year and the future prospects of the Company are considered good.

DIVIDEND :

To conserve resources for implementing the third Sponge Iron Plant under implementation at Jamshedpur; your Directors regret for not recommending any dividend for the year under review.

FIXED DEPOSIT :

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

DIRECTORS :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

AUDITORS :

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

ASHIRWAD STEELS & INDUSTRIES LTD.**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 Plant at Raigarh is very nominal as only bottling of Gas is being done. For Sponge Iron Plants; the Capacitor Panels of adequate size and number have been installed to save Power.

(B) TECHNOLOGY ABSORPTION :

The Company is using in-house technology and expertise for its LPG bottling plants. The technology for manufacture of Sponge Iron was provided by an outside agency. The said technology is fully indigenous and is now well established. 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 form part of this Report.

LISTING OF COMPANY SHARES & LISTING FEES :

The Equity Share of the Company are listed at Kolkata, Mumbai & Delhi Stock Exchanges. The Company has paid the annual listing fees for the financial year 1999-2000, to all the Stock Exchanges, except Delhi Stock Exchange.

SHARE REGISTRARS & TRANSFER AGENTS :

Niche Technologies (P) Ltd., C-444, Bagree Market, 71, B.R.B.B.Road, Kolkata-700 001. Phone : 033-2357270 033-2357271, Fax : 033-2209094, E-mail : nichetech@vsnl.net

DEPOSITORY DETAILS :

1. Central Depository Services (India) Ltd., P. J. Towers (28th floor), Dalal Street, Fort, Mumbai-400 023.
2. M/s. National Securities Depository Limited, 4th Floor, Trade World, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai-400 013.

DEMATERIALISATION OF SHARES :

As per SEBI's direction the company has signed tripartite agreements with these depositories and Registrars and Transfer Agents in November, 2000. Dematerialisation facility is now available. According to SEBI's guidelines trading in Demat form has been made compulsory for all classes of investors. Therefore, it is in the interest of all the shareholders to convert their physical holdings into electronic holdings by dematerialisation.

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

Kolkata
Dated : 28th June, 2001.

P. M. AGARWAL
Chairman

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 2000-2001	Previous Year 1999-2000
1. Electricity		
(a) Purchased		
Units	3,75,388	1,16,222
Total amount (Rupees)	22,62,876	7,87,975
Rate/Unit (Rupees)	6.02*	6.78
*Unit Rate is higher as the Power Bill includes demand charges		
(b) Own generation (D. G. Set)		
Units	2,10,000	Negligible
Cost/Unit	3.89	Negligible

Note :

The Company has not consumed or used furnace oil during the year under review. The Company's Sponge Iron Plant has, however, consumed a large quantity of Coal and the related quantitative figures are reflected in the financial accounts elsewhere. The quantity details are not being given here as Coal acts as a raw material for Sponge Iron Manufacturing and not as a fuel.

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

i) Units consumed per Metric Ton of Hydrocarbon Gas / L.P. Gas bottled.	8.77	10.27
ii) Units consumed per Metric Ton of Sponge Iron produced	29.00	—
iii) Unit consumed per Metric Ton of Steel Tubes produced	Nil	60.74

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 and when required to improve the quality of its products. The Company has not incurred any expenditure on this account so far. The Company, however, has a full fledged laboratory at its Sponge Iron Plant for testing the quality of raw materials and also of the finished products.

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

Kolkata
Dated : 28th June, 2001.

P. M. AGARWAL
Chairman