

CERTIFIED

For Ashirwad Steels & Industries Ltd.

  
Managing Director

# 14<sup>th</sup> annual report

FOR THE YEAR ENDED  
31ST MARCH 2000

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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  
 Yudinbir Chhibbar

**AUDITORS :**

M/s. Ashok Pradhan & Associates  
*Chartered Accountants*

**BANKERS :**

The Federal Bank Ltd. Calcutta  
 Allahabad Bank, Raigarh  
 State Bank of India, Raigarh  
 City Bank, Calcutta  
 State Bank of India, Calcutta

**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.
4. Plot Nos. A1, A3, A5 & A7, Phase - V  
 Adityapur Industrial Area,  
 Gamharia, Jamshedpur Bihar.

**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 14th Annual General Meeting of the Company will be held at 1, Crooked Lane, Suite No. 8B, Calcutta-700 069 on Monday, the 25th September 2000, 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, 2000 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. Puranmal Agarwal and Mr. Yudhbir Chhibbar 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, 2000

By Order of the Board

Regd. Office : 1, Crooked Lane, Suite No. 8B 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 18th September, 2000 to Monday, the 25th September, 2000 (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.**

For Ashirwad Steels &amp; Industries Ltd.

*Managing Director***DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Your Directors present their 14th Annual Report and Audited Statement of Accounts of your Company together with Auditors Report for the year ended 31st March, 2000 :-

	Current Year (31-3-2000) Rs.	Previous Year (31-3-1999) Rs.
<b>FINANCIAL RESULTS</b>		
Operating Profit before Interest, Depreciation and Taxation	25,86,216	39,60,053
Depreciation	27,21,360	29,82,968
Financial Charges	5,35,033	90,027
Profit before Taxation	(—) 6,70,177	8,87,058
Provision for Taxation	—	93,150
Profit after Taxation	(—) 6,70,177	7,93,908
Income Tax for earlier period	—	1,544
ADD : Profit brought forward from last A/C	76,33,593	68,41,229
Profit available for appropriation	69,63,416	76,33,593

**APPROPRIATIONS :**

Balance Carried forward	69,63,416	76,33,593
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**OPERATIONS :**

The year under review has been very disappointing for the Company. Due to extreme Competition from some big players, the operations at Company's L.P.G. Bottling Plant at Uluberia turned absolutely unviable and your Directors had no option but to stop Bottling Operations at this Plant from December, 1999 onwards. Subsequently after negotiations your Company leased out this Bottling Plant to M/S SHV Energy North East Ltd. (100% subsidiary of a Fortune - 500 Multinational Company) for a fixed period of 5 years through an Agreement signed on 21-3-2000 and during the Lease period the aforesaid Company will give a monthly lease rent of Rs. 1,75,000/- with all expenses and outgoings on their Account. The agreement with them also provides for an option to them to purchase the entire Uluberia L.P.G. Bottling Plant at a Fixed Price of Rs. 1.46 Crores at any time during the period of lease. This step was taken by your Board in the best interest of the Company as your Directors are of the firm view that small/ medium Companies will have no future in the LPG business due to entry of Multinational Companies and also of Public Sector Oil Companies not only in the domestic sector but also in the Industrial and Commercial Segments of the market. The aforesaid lease agreement was duly approved and ratified by the members in the Extra Ordinary General Meeting held on 20th April, 2000.

During the year your Board also closed down Company's Steel Tubes manufacturing Unit located at Serampore, Dist. Hooghly, West Bengal permanently in the face of continuous losses on account of supply heavily in excess of the demand and the resultant lower sales realisation per unit.

**ASHIRWAD STEELS & INDUSTRIES LTD.**

The decision of the Directors was in the best interest of the Company as this Unit was incurring losses and funds were required by your Company for Sponge Iron Project at Jamshedpur. Your Directors are exploring possibilities of either leasing out this unit or for an outright sale of the same. The Company's L.P.G. Bottling Plant at Raigarh is still surviving as it is not facing much competition as the big players have not yet entered in this part of the Country.

Financial performance of the Company during the year has been very dismal and your Company incurred losses for the first time. The total Income/Turnover of the Company during the year under review was Rs. 451.08 lacs (Previous Year Rs. 611.85 lacs). The net results for the year was a net loss of Rs. 6.70 lacs (Previous Year net Profit of Rs. 7.94 lacs). Your Directors are however very optimistic about much better performance in the Current Financial year as Company's Sponge Iron Plant has Commenced Production from April, 2000 with very satisfactory performance. The future outlook of the Company, therefore, is considered quite good.

**SPONGE IRON PROJECT :**

The Company's Sponge Iron Project (Phase-I) was completed in the month of March, 2000 and the process of taking out Trial Production commenced from the last week of March, 2000. Your Directors are pleased to inform you that this Project started Commercial Production from 5th April, 2000 and is working quite satisfactorily. The work of completing the Phase - II of the Project also commenced from April, 2000. The work on the 2nd phase is going on in full swing. Your Directors are making all efforts to ensure completion of phase - II by August of this year. After commissioning of phase - II the total installed Production capacity of your Company shall be 24000 M.T. of Sponge Iron per annum.

**DIVIDEND :**

To conserve resources for the ongoing sponge Iron Project, your Directors do not recommend any dividend for the year under review.

**FIXED DEPOSIT :**

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

**DIRECTORS :**

Mr. Puranmal Agarwal and Mr. Yudhbir Chhibbar 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 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) or 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.

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

The power requirement at Company's Gas Bottling Plants are nominal as only bottling of Gas is being done. The Steel Tubes manufacturing plant has been closed. For Sponge Iron Project, the Capacitor Panels have been installed to save Power.

**(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 form 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 1998-1999, 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, 2000.

**P. M. AGARWAL**  
Chairman