

23rd
annual
report
FOR THE YEAR ENDED
31ST MARCH 2009



ASHIRWAD STEELS

& INDUSTRIES LIMITED

ASHIRWAD STEELS & INDUSTRIES LTD.

BOARD OF DIRECTORS	:	Puranmal Agarwal, Chairman Dalbir Chhibbar, Managing Director Yudhbir Chhibbar, Director Suresh Kr. Agarwal, Director Ashok Kumar Jaiswal, Director Pravin Kumar Chhabra, Director Sushma Chhibbar, Director Dev Kumar Mishra
STATUTORY AUDITORS	:	A Pradhan & Associates Chartered Accountants, 2D, Panditia Road, Kolkata-700 029
BANKERS	:	CITIBANK, N.A., Kolkata HDFC Bank Ltd., Kolkata ING Vysya Bank, Kolkata Standard Chartered Bank, Kolkata (Formerly American Express Bank, Kolkata.) State Bank of India, Jamshedpur State Bank of India, Nalgonda, Andhra Pradesh. State Bank of India, Raigarh, Chhattisgarh Corporation Bank, Raigarh, Chhattisgarh.
REGISTERED & HEAD OFFICE	:	6, Waterloo Street, 5 th Floor, Suite No.506, Kolkata - 700 069, West Bengal Phone: 091-033-22430372 Fax : 091-033-22430376 E-mail: ashirwadsteels@gmail.com
WORKS	:	SPONGE IRON PLANTS : <ol style="list-style-type: none">1. Plot Nos.A1,A3,A5,A7, Phase-V, Adityapur Industrial Area, Ghamaria Jamshedpur-832108, Jharkhand, Telefax : 091-0657-2386283.2. Peetam Palli Approach Road, Vill. & P.O. Veliminedu, Mandal-Chityal, Dist. Nalgonda, Pin-508114, Andhra Pradesh. Phone:091-08682-274690/ 274236, Fax: 091-08682-274691. LPG BOTTLING PLANTS : <ol style="list-style-type: none">1. Uluberia Industrial Growth Centre, Uluberia, Howrah, West Bengal, Pin-711315. Phone : 091-033-266107142. Village : Kisnapur Near Urdana Check Post Raigarh - 496001, Chattisgarh. Ph. : 091-07762-232558
REGISTRARS & TRANSFER AGENTS	:	Niche Technologies Pvt.Ltd., D-511, Bagree Market, 5 th Floor, 71, B.R.B.B. Road, Kolkata-700 001 Ph.No.091-033-2235 7270-71/2234-3576 Fax : 091-033-22156823 E-mail: nichetechpl@nichetechpl

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held at the Registered Office of the Company at 6, Waterloo Street, 5th Floor, Suite No.506, Kolkata-700 069 on Monday, the 14th September, 2009 at 10.30 a.m. for the following purposes :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss A/c. for the year ended on that date with the Auditors' Report thereon.
2. To appoint Directors in place of Mr. Puranmal Agarwal, Mrs. Sushma Chhibbar and Mr. Pravin Chhabra who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To pass with or without modification, the following resolution as Ordinary Resolution :
"RESOLVED THAT Sri Dev Kumar Mishra who was appointed as an Additional Director of the Company with effect from 22nd September, 2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company and that Managing Director of the Company be and is hereby authorized to take the necessary actions and complete all the legal formalities related thereto."

Place : Kolkata

Dated : 29th June, 2009.

Regd. Office : 6, Waterloo Street,
5th floor, Suite No. 506,
Kolkata-700 069.

By Order of the Board

For **Ashirwad Steels & Industries Ltd.,**

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 so appointed shall not have any right to speak at the meeting.
2. The Register of Members of the Company will remain closed from the 7th September, 2009 to 14th September, 2009 (both days inclusive).
3. Shareholders/Proxy holders 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 Annual General Meeting.
5. Members are requested to notify immediately any change in their address to the Company or to its share transfer Agents/Registrars.
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. Members are requested to send in their queries at least a week in advance to the Company at the Registered Office of the Company to facilitate clarifications during the meeting.

Place : Kolkata

Dated : 29th June, 2009

Regd. Office : 6, Waterloo Street,
5th floor, Suite No. 506,
Kolkata-700 069

By order of the Board

Dalbir Chhibbar
Managing Director

ANNEXURE TO NOTICE :**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956, RELATING TO SPECIAL BUSINESS MENTIONED IN THE NOTICE CONVENING THE 23RD ANNUAL GENERAL MEETING.****Item No. 4**

Sri Dev Kumar Mishra was appointed as an Additional Director of the Company with effect from 22nd September, 2008. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for appointment as a Director of the Company, along with the requisite deposit of Rs.500/-. Your Directors recommend his appointment as a Director of the Company and except Sri Dev Kumar Mishra; no other Director is interested in the aforesaid business and related resolution.

Place : Kolkata

Dated : 29th June, 2009.

Regd. Office : 6, Waterloo Street,
5th floor, Suite No. 506,
Kolkata-700 069.

By Order of the Board

Dalbir Chhibbar
Managing Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their 23rd Annual Report and the Audited Statements of Accounts of your Company together with Auditors' Report for the year ended 31st March, 2009.

	Current year (31.03.2009) Rs.	Previous year [31.03.2008] Rs.
FINANCIAL RESULTS :		
Turnover/Income from Operations(gross)	74,22,08,045	66,44,86,227
Less: Excise duty	(-) 7,77,85,581	(-) 8,55,06,065
Operating Profit before interest,		
Depreciation and Taxation	2,44,41,758	5,50,15,968
Depreciation	1,04,52,138	1,01,48,775
Financial Charges	84,55,132	1,39,36,359
Profit/(Loss) before Taxation	55,34,488	3,09,30,834
Provision for Taxation :		
Current Income Tax	25,63,000	28,30,000
Income Tax for earlier period	2,43,395	—
Deferred Income Tax	(-) 1,69,697	8,18,604
Fringe Benefit Tax	2,82,720	1,47,854
Profit/(Loss) after Taxation	26,15,070	2,71,34,376
Add: Profit brought forward from last A/c.	6,99,95,270	4,28,60,894
Profits available for appropriation	7,26,10,340	6,99,95,270
And carried to Balance sheet.		

OPERATIONS & FINANCIAL PERFORMANCE :

The financial performance of your Company during the financial year ended 31.3.09 has not been satisfactory. The total income from operations/turnover stood at Rs 74.22 Crores (Previous year Rs.66.45 crores). During the year your Company produced 43916 M.T. of Sponge Iron (Previous year 50581 M.T.). The Company has during the year earned a net profit of Rs 0.26 Crores as against previous year's net profit of Rs.2.71 crores. The overall financial performance of the Company has been adversely affected due to economic slow down during the year throughout the World including in India. The market conditions of Sponge Iron are still very depressed but your Directors are hopeful of a recovery within a period of 12 months. Your Directors are continuing their best efforts to efficiently manage the affairs of the Company.

DIVIDEND :

To conserve resources for the Company's proposed expansion plans; your Directors do not recommend any dividend for the year under review.

STATUTORY AUDITORS :

M/s. A Pradhan & Associates, Chartered Accountants, were appointed as Statutory Auditors of your Company in the last Annual General Meeting and they being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS :

Mr. Puranmal Agarwal, Mrs. Sushma Chhibbar and Mr. Jitendra Patnaik, the Directors retire by rotation from the Board and being eligible offer themselves for re-appointment. Sri Dev Kumar Mishra was appointed as an Additional Director of the Company with effect from 22nd September, 2008 and he vacates his office on the forthcoming Annual General Meeting. The Company is in receipt of a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director of the Company at the ensuing Annual General Meeting. The respective resolution to this effect is mentioned in the notice convening the Annual General Meeting and your Directors recommend his appointment.

EXPANSION PROJECTS :

The Directors of your Company propose to expand the steel base manufacturing activities of your Company by putting up a Captive Power Plant along with a Steel Melting Shop and a Re-rolling Mill at Company's existing Sponge Iron Plant Site at Dist. Nalgonda, A.P. as backward and forward integration. Similarly, the Board also proposes to put up a Steel Melting Shop and Re-rolling Mill either at Jamshedpur or in West Bengal. The necessary actions for the above projects including the process of getting clearances from appropriate authorities have been initiated. With this end in view your Directors decided to raise funds for the same by issuing fresh shares on Preferential Allotment Basis and accordingly an Extra Ordinary General meeting of the members was held on 29th May, 2009 wherein the members approved the issue of allotment of fresh 45,00,000 shares of the Company at a price of Rs.40/- (including Rs.30/- as premium). The necessary formalities in this respect are being completed. Your Board also propose to approach the banks/financial institutions for necessary borrowings for the Company's aforesaid industrial projects.

FIXED DEPOSIT :

The Company has not during the year accepted any deposits from the Public under section 58 of the Companies Act, 1956.

CORPORATE GOVERNANCE :

Corporate Governance Report along with the certificate of the Auditors confirming compliance of conditions of Corporate Governance as required under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

LISTING OF COMPANY'S SHARES & LISTING FEES :

The Company's shares are listed on Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400 023.

The Company has paid the listing fees for the financial year 2008-09 to the Stock Exchange, Mumbai, on which Company's shares are listed. The Company has also paid custodial fees for the year 2008-09 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is 338C01012.

SHARE REGISTRARS & TRANSFER AGENTS :

Niche Technologies (P) Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, 5th Floor, Kolkata - 700 001. Phone : (033) 2235-7270/71, 2234-3576, Fax: (033) 22156823, E-mail nichetechpl@nichetechpl

DEPOSITORY DETAILS :

1. Central Depository Services (India) Ltd., P.J.Towers (17th floor), Dalal Street, Mumbai-400023, Phone: (022) 22723333-3224, Fax : (022) 2272-2072/3199.
2. M/s. National Securities Depository Ltd., 4th floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Phone: (022) 2499-4200 Fax: (022) 24972993.

DEMATERIALISATION OF SHARES :

As per SEBI's direction, the Company has signed tripartite agreements with the above 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 of the equity shares.

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.

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 is negligible as only bottling of gases is being done. For Sponge Iron Plants, the Capacitor Panels of adequate size and number have been installed and are maintained to save and economise on power consumption.

(B) TECHNOLOGY ABSORPTION :

The Company is using in-house technology and expertise for its LPG Bottling Plants. The technology to manufacture Sponge Iron was provided by an outside agency. The said technology is fully indigenous and is now well established and has been fully absorbed by the Company. The Company has not so far made use of any imported technology for its products/plants.

(C) FOREIGN EXCHANGE EARNINGS AND OUT-GO : Earnings : Nil (Previous Year : Nil)

Out-Go : Rs. 399440 (Previous Year : Nil)

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, 2009, 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 judgments 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 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 have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors would like to convey their sincere appreciation for the assistance and co-operation received from the valued customers, suppliers and 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.

Place : Kolkata

Dated : 29th June, 2009

For and on behalf of the Board

Dalbir Chhibbar

Managing Director

ANNEXURE TO DIRECTORS' REPORT**FORM – A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION :**

	Current year 2008-09	Previous year 2007-08
1. Electricity :		
(a) Purchased		
Units	3761476	39,98,571
Total amount (Rupees)	1,52,69,358	1,63,26,901
Rate/Unit (Rupees)	4.06	4.08
(b) Own generation (D.G.Set)		
Units	3,97,434	2,95,694
Cost/Unit	11.59	10.54

Note :

The Company has not consumed or used Furnace Oil during the year under review. The Sponge Iron Plants have, 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 OF SPONGE IRON/ BOTTLING OF GAS.

(i) Units consumed per Metric Ton of Hydrocarbon Gas/L.P.Gas bottle	16.45	28.71
(ii) Units consumed per Metric Ton of Sponge Iron produced	85.59	78.95

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 has not incurred any expenditure on this account so far. The Company, however, has full fledged laboratories at its Sponge Iron Plants 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, the item is not applicable to us. The Company, however, continues the efforts for upgradation of technology in order to improve the quality and reduce cost to the extent possible.

Place : Kolkata
Dated : 29th June, 2009.

For and on behalf of the Board
Dalbir Chhibbar
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**(a) Industry Structure and Developments :**

The principal product of the Company at present is Sponge Iron which is manufactured at its Plants located at Jamshedpur and at District Nalgonda, Andhra Pradesh. Sponge Iron is used alongwith steel scraps by secondary steel producers for making steel billets/ingots which in turn are used by the re-rollers for making long products used in the house-building and in the infra-structure development. Increase in the cost of raw materials, overheads, manufacturing expenses and lower capacity utilization have been adversely affecting the company's profitability. The selling prices of Sponge Iron are market driven and the Company has no control over it. The principal components of cost of Sponge Iron are coal, iron ore, financial charges and freight.

(b) Opportunities and Threats :**i. Opportunities :**

The Newly formed Central Government has decided to give top priority and to assist to the development of infra-structure in the country on a large scale which is expected to generate higher demand of long steel products leading to continuous capacity enhancement in steel making. The higher demand of steel will, therefore, support the secondary steel sector which is the main consumer of Sponge Iron. The opportunities of growth of Sponge Iron and Steel Industry are therefore good though shortage of raw materials such as Iron Ore and Coal continue to pose a big threat to the Industry.

ii. Threats :

The cost of coal and iron ore are the two major input costs in production of Sponge Iron. The prices of both these raw materials are regularly increased by the suppliers which in turn adversely affects the finances of the Industry. Thus rising input costs are big threat to the survival of Sponge Iron and Steel Industry. It is difficult for most of the Sponge Iron Units under medium sector who are unable to go for backward or forward integration to survive, sustain and earn reasonable profits unless there is a corresponding hike in the selling prices of Sponge Iron. Your Company has decided to take up backward and forward integration projects and hope to initiate construction work on the same subject to availability of clearances from authorities and availability of finance.

(c) Segment-wise Product-wise performance :

Your Company has only two segments namely Sponge Iron and gas taking into account the nature of the product, uses and production system.

Segment-wise performance in detail has been given in Schedule 22 to the audited accounts of the Company which are available in this annual report.

(d) Outlook :

In view of what has been stated in paragraphs (a) and (b) above your Management perceives that the outlook of the Sponge iron Industry in the current financial year is not expected to be encouraging unless there is increase in the demand for long-Steel Products and resultant increase in the selling prices of Sponge-Iron with no disproportionate increase in the input costs.

(e) Risks & Concerns :

Risk is inherent in every business activity and Sponge Iron Industry is no exception. The steel industry displays strong commodity characteristics and is subject to cyclical price movements in business cycles. The Company is exposed to risks from overall market fluctuations, changes in government policy, laws of the land, taxation,

interest rates, man made disaster, political risks and increase in cost of inputs like Iron ore, coal, power, diesel, freight, etc. which affect the financial performance of the Company.

(f) Internal Control System and its Adequacy :

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and applicable statutes are duly complied with. The Company has constituted an Audit Committee to monitor the adequacy and efficacy of internal control system.

The adequacy of these compliances and their effectiveness is subject to statutory audit and the same has been adequately reported by the Auditors in their report as required under the relevant provisions of the Companies Act, 1956. The Company also has an Internal Audit System being carried out by an Independent Firm of Chartered Accountants.

(g) Discussions on financial performance with reference to operational Performance:

During the year; the income from operations/turnover stood at Rs 74.22 crores as compared to Rs. Rs.66.45 crores in the previous year. The operating profit before interest, depreciation and taxation stands to Rs 2.44 crores compared to 5.50 crores in the previous year. The Company has earned a post-tax net profit of Rs 0.26 crores as compared to a net profit of Rs.2.71 crores in the previous year. Your Directors are, however, continuing their efforts for better performance of your Company.

(h) Material Developments in HRD and industrial Relations Front :

Your Directors recognize the value of people as one of our most valuable assets and believe that your Company's employees are central to its sustainable success. Developing, motivating, rewarding and retaining talented employees at all levels is a priority and a key responsibility of your Company's management. It is this policy of ours that has enabled us to retain talented employees and maintain harmonious relations with them.

(i) Cautionary Statements :

Statements in this management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be termed as forward looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. The readers of this report are, therefore, advised to read the same with this caution.

REPORT ON CORPORATE GOVERNANCE(For the year ended 31st March, 2009)

The Report on compliance of the conditions of corporate governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange by your Company is given below :

1. Company's Philosophy :

Your Company's philosophy continues to be to look after customers' welfare and satisfaction and to increase shareholders value, enforce quality control and improve the quality of life of the people around by practicing the principles of good corporate governance.

2. Board of Directors :**(a) Composition :**

As at 31st March, 2009 the Board of Directors consist of a non-executive Chairman, a Managing Director, 4 non-executive Directors and 2 independent Directors.

(b) Category, their Directorship and Committee Membership in other Companies :

The Board of your Company is comprised of the following Directors :

Name of Directors	Category	Member of Boards of other Public Companies (excluding Directorship in private Companies)	Total no. of Committee(s) Membership in other Public Ltd. Companies, Foreign Companies and Companies under Sec.25 of the Companies Act, 1956		No. of Equity Shares held in the Company
			As Chairman	As Member	
Puranmai Agarwal	Chairman Non-executive	14	Nil	Nil	4750
Dalbir Chhibbar	Managing Director(executive)	3	Nil	Nil	108725
Yudhbir Chhibbar	Non-executive	1	Nil	Nil	3000
Suresh Kr. Agarwal	-do-	9	Nil	Nil	4000
Sushma Chhibbar	-do-	1	Nil	Nil	53000
Dev Kumar Mishra	-do-	Nil	Nil	Nil	Nil
Ashok Kumar Jaiswal	-do-(Independent)	5	Nil	Nil	Nil
Pravin Kumar Chhabra	-do- [Independent]	Nil	Nil	Nil	Nil

(c) Board Meetings held during the year :

During the year the Board Meetings were held twelve times e.g. on 25th April, 2008, 9th June, 2008, 30th June, 2008, 30th July, 2008, 22nd September, 2008, 15th October, 2008, 31st October, 2008, 20th January, 2009, and on 30th January, 2009.

(d) Attendance of Directors at the Board Meetings held during the year 2008-2009 and at the last Annual General Meeting (AGM)

Name of Directors	No. of Board Meetings		Attended last AGM
	Held	Attended	
1. Puranmal Agarwal	9	6	Yes
2. Dalbir Chhibbar	9	9	Yes
3. Yudhbir Chhibbar	9	2	No
4. Suresh Kr. Agarwal	9	8	Yes
5. Ashok Kumar Jaiswal	9	6	Yes
6. Pravin Kumar Chhabra	9	7	Yes
7. Sushma Chhibbar	9	2	No
8. Dev Kumar Mishra	9	1	No

(e) Information about Directors seeking re-appointment has been included in this Report.**3. Audit Committee**

An Audit Committee has been constituted to meet the requirements of Clause 49 of the Listing Agreement.

Brief Description of Terms of Reference :

The terms of reference of the Audit Committee are as contained under clause 49 of the Listing Agreement and as stipulated under Section 292A of the Companies Act, 1956.

Composition of committee and attendance of Members :

The Audit Committee comprises of Independent Directors namely, Mr. Pravin Kumar Chhabra and Mr. Ashok Kumar Jaiswal. The Accounts Manager is the permanent invitee to the audit committee. The committee met four times during the year under review and the meetings were attended by all its members. The Committee also had the benefit of attendance of the Statutory Auditor and Internal Auditors and the General Manager of the Company in its meetings. Audit Committee's role inter-alia include overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

4. Code of Conduct :

The Company has laid down a Code of Conduct, under Clause 49 of the Listing Agreement, for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest. The declarations with regard to compliance of Code of Conduct have been received for the year 2009 from all Board Members and Senior Management Personnel.

There were no material, financial and commercial transactions, in which Board Members and Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year.

5. Remuneration of Directors

(a) Remuneration is paid to the Managing Director as per package approved by the Board and the members in the Annual General Meeting.

(b) Details of remuneration paid to the Directors for the year ended 31st March, 2009

Name of the Directors	Salary and other benefits
	(Rupees)

Dalbir Chhibbar	1,80,000
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Dev Kumar Mishra	1,50,000
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Note : No remuneration was paid to any other Director of the Company. No Board-Meeting sitting fees was paid to any of the Directors of the Company.

6. Shareholders/Investors Grievance Committee :

- (a) The Company has appointed M/s Niche Technologies Pvt.Ltd., a SEBI registered Registrar as its Share Transfer Agent for both physical as well as electronic modes. The shares of the Company are traded on Bombay Stock Exchange and the complaints from the Shareholders are negligible. Due to this, the Company has not constituted any separate committee. However, the Company will constitute such a Committee separately as and when the need for such a Committee arises.
- (b) Sri Subhash Chandra Rana, General Manager is the Compliance Officer of the Company.
- (c) No complaints from shareholders were pending as on 31.3.2009.

Secretarial Audit Report :

As stipulated by SEBI a qualified practicing Company Secretary carries out the secretarial audit every quarter and the report thereon is submitted to the Bombay Stock Exchange and is also placed before the Board of Directors. The said audit report, inter-alia confirms that the total listed and paid-up capital of the Company is in agreement with the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical shares.

7. General Body Meeting :

- (a) Locations, date and time, where last three AGMs held :

AGM	Financial Year	Date	Time	Place
20 th	2005-2006	25.9.06	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)
21 st	2006-2007	24.9.07	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)
22 nd	2007-2008	22.9.08	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)

- (b) No resolutions were passed through Postal Ballot nor are any proposed at the ensuing Annual General Meeting.

8. Disclosures :

- (a) *There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.*
- Schedule-19 of the Annual Accounts contains the details of related party transaction as required by the Accounting Standard – 18 on 'Related Party Disclosure' issued by The Institute of Chartered Accountants of India.
- (b) No strictures were imposed on the Company by any regulatory authority on any matters related to capital markets during the last three years.

9. Means of communication :

- (a) The quarterly results of the Company are regularly published in the following newspapers:
- Financial Express (English)
 - Kalantar (Bengali)
- (b) At present, the Company is not having any website.
- (c) "Management Discussion and Analysis Report" has been included as part of this Report.

10. General Shareholder information**(a) AGM : Date, time and venue :**

The forthcoming 23rd Annual General Meeting of your Company will be held on Monday, the 14th September, 2009 at its Registered Office at 6, Waterloo Street, 5th floor, Suite No. 506, Kolkata-700 069 at 10.30 a.m.

(b) Financial Calender :

Financial Year March 31,
AGM in September

(c) Date of Book Closure :

Commencement – Monday the, 7th September, 2009
Ending – Monday the 14th September, 2009
(Both days inclusive)

(d) Dividend Payment Date :

The Company has not declared any dividend for the Financial Year ended 31st March, 2009.

(e) Listing on Stock Exchange :

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange Ltd.,	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	26847

(f) The international Security identification Number (ISIN) of the Equity Shares is INE 338C01012**(g) Market Price Data**

The monthly High and Low Equity Share prices of the Company as traded at The Bombay Stock Exchange from 1st April, 2008 to 31st March, 2009 are given below :

Month	High Price (Rs.)	Low Price (Rs.)
April, 2008	17.56	13.89
May, 2008	17.85	15.10
June, 2008	16.10	12.65
July, 2008	14.65	12.25
August, 2008	18.44	14.00
September, 2008	16.15	12.00
October, 2008	11.46	8.60
November, 2008	9.10	7.65
December, 2008	9.80	7.99
January, 2009	9.40	8.95
February, 2009	9.76	7.20
March, 2009	6.85	5.77

(h) Registrar and Share Transfer Agents

The details of the Registrar and Share Transfer Agent (R & TA) of the Company are as follows:

M/s. Niche Technologies Private Limited

D-511, Bagree Market, 71, B.R.B.B.Road, Kolkata-700 001 (West Bengal)

Phone No. (033) 2235 7270/71 Fax: 2215 6823

E-mail nichetechpl@nichetechpl

Accordingly, all communications on matters relating to share transfer, non-receipt of share certificate, etc. be sent to Niche Technologies Private Limited. Correspondence on these matters may also be sent to the Company at 6, Waterloo Street, 5th floor, Suite No.506, Kolkata-700 069.

(i) Share Transfer System :

After the request for transfer/transmission of shares is approved by the authorised officials of the Company, the same is sent to the Registrar and Share Transfer Agents for completing the necessary procedural formalities and despatch to the shareholders. Transfer of shares, if found to be in order in all respects, are normally effected within a period of 15 days from the date of receipt of shares.

(j) Pattern of Shareholding as at 31st March, 2009

Category of Share holder		No. of Equity Shares held	% of Shares held
(A)	Promoter's Holding	3669126	45.864
(B)	Non Promoter's Holding		
	Institutional Investors	208700	2.609
	Private Corporate Bodies	2774198	34.677
	Indian Public	1189533	14.870
	NRI/OCBs	145449	1.818
	Others	12994	0.162
	Total	8000000	100.000

Note : Promoters have not pledged any of their shares with any Agency/Bank/Financial Institutions.

(k) Distribution of Shareholding as on 31st March, 2009 :-

Share Class/No. of Shares	No. of Shareholders	% of total No. of Shareholder	Value of Shares held at face value of Rs.10/- each	% of total share capital Amount
Upto 500	3062	87.2613	4,38,901	5.4863
501 to 1000	164	4.6737	1,33,688	1.6711
1001 to 5000	182	5.1867	4,50,461	5.6308
5001 to 10000	34	0.9689	2,73,394	3.4174
10001 to 50000	37	1.0544	10,33,086	12.9136
50001 to 100000	10	0.2850	6,97,534	8.7192
100001 and above	20	0.5700	49,72,936	62.1617
Total	3509	100.0000	80,00,000	100.0000

(l) Dematerialisation of shares and liquidity :

The Company had signed tripartite agreements with NSDL, CDSL and Registrar and Share Transfer Agents in November, 2000. Dematerialization facility is available for shareholders. Out of the total number of shares; 6526862 number of shares (81.59 %) have been dematerialized as on 31.03.2009.

(m) The Company has not till date issued any GDRs/ADRs/warrants or any convertible instruments pending for conversion.**(n) Address for correspondence :**

The Shareholders may address their communications, suggestions, grievances and queries to :

Ashirwad Steels & Industries Limited

6, Waterloo Street, 5th floor, Suite No.506, Kolkata-700 069, West Bengal.

Phone No. 091-033-22430372

Fax : 091-033-22430376

E-mail : ashirwadsteels@gmail.com

(o) Plant Locations :

Sponge Iron Plants	1)	Plot No.A1,A3,A5,A7, Phase-V, Adityapur Industrial Area, Ghamaria, Jamshedpur-832 108, (Jharkhand).
	2)	Peetam Palli Approach Road, Vill. & P.O. Veliminedu, Mandal-Chityal, Dist. Nalgonda, Andhra Pradesh – 508 114.
LPG/RLHG Bottling Plants	1)	Uluberia Industrial Growth Centre, Uluberia, Howrah, West Bengal, Pin – 711 315
	2)	Village : Kisnapur, Near Urdana Check Post, Raigarh-496001 (Chhattisgarh).

(p) Corporate Identification No.: L51909WB1986PLC040201**Status of Compliance of Non-Mandatory requirements :**

1. The Company does not have a Remuneration Committee.
2. Half-yearly Declaration of results of financial performances including summary of the significant events are not sent to the shareholders of the Company as quarterly results are regularly published in newspapers.
3. No resolution(s) are proposed to be passed by postal ballot.

For and on behalf of the Board

Place : Kolkata

Dated : 29th June, 2009.

Regd. Office : 6, Waterloo Street,
Room No. 506, 5th floor,
Kolkata – 700 069.

Dalbir Chhibbar
Managing Director

To the Members of

ASHIRWAD STEELS & INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Ashirwad Steels & Industries Limited for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the 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 our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As informed to us, the records relating to investor grievances against the Company, if any, is maintained by the Registrars of the Company who have certified that as at 31st March, 2009, there were no investor grievances remaining unresolved/pending.

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

For A Pradhan & Associates

Chartered Accountants

Place : Kolkata

Dated : 29th June, 2009.

A. Pradhan

Partner.

Membership No. 53543

AUDITORS' REPORT

To the Members of Ashirwad Steels & Industries Ltd.

1. We have audited the attached Balance Sheet of **Ashirwad Steels & Industries Ltd.** as at 31st March 2009 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. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and 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.
 - e. On the basis of written representations received from the directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii. in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For A PRADHAN & ASSOCIATES

Chartered Accountants

Place: Kolkata
Dated: 29th June, 2009

A. Pradhan
Partner
Membership No : 053543

Annexure to the Auditors' Report

Referred to in Paragraph 3 of our report of even date on the accounts of **Ashirwad Steels & Industries Ltd.** for the year ended March, 31, 2009:

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management as per a phased program of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of accounts.
 - (c) There was no disposal of fixed assets during the year.
2.
 - (a) As explained to us the management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) In our opinion, the procedures followed by the management for such physical verification of inventory are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the book records were not material and have been properly dealt with in the books of accounts.
3.
 - (a) The Company has not given any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) In our opinion, the requirement of clause (iii) (b), (iii) (c) & (iii) (d) of the order are not applicable since no loans have been given to companies, firms or parties covered under section 301 of the Companies Act, 1956.
 - (c) The company has taken un-secured loans from three companies covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs.13,234,821/- and the year end balance of such loans was Rs. 10,033,500/-
 - (d) The rate of interest and other terms and conditions of un-secured loans taken by the company are prima facie not prejudicial to the interest of the company.
 - (e) The repayment of such loans including interest thereon were found to be regular and/or as per stipulation.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been observed in the internal controls regarding purchase of inventory and fixed assets and sale of goods and services.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements or loans taken referred to in section 301 of the Act have been entered in the said register.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the registers maintained under section 301 and exceeding the value of five lakhs rupees 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.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. The Company has an internal audit system, which in our opinion, is commensurate with the size and nature of its business.
8. As informed to us, the company has initiated the process of maintaining cost records as has been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956, in respect of the sponge iron production activities carried on by the Company.
9. (a) The company is generally regular in depositing undisputed statutory dues including Staff Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, VAT, CST, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us the following taxes were not deposited as the same were disputed in appeal at the end of the year:

	Disputed. Amount (Rs.)	Forum where dispute is pending in appeal As on 31.03.2009
Purchase Tax (Vat) on Coal purchase	* 30,17,821	Appellate Dy. Commissioner (CT), Hyderabad Rural Division.
Income Tax	15,79,364	Commissioner of Income Tax . (Appeals)-C-III, Kolkata.

* Out of the said disputed amount, Rs. 15.09 Lacs had been deposited till the year-ended 31.03.2009.

- (c) On the basis of a writ petition filed by the Company against State Government's order withdrawing remission of Sales Tax pursuant to imposition of VAT in the State; the Hon'ble High Court of Jharkhand at Ranchi has allowed the benefit of deferment of tax for VAT and although the Hon'ble High Court order is not specific about deferment of CST, the Company assumes that deferment order is applicable to both VAT and CST in respect of its sales from its Sponge Iron project at Jamshedpur. The company has accordingly shown deferred tax liability on account of CST Rs. 24,93,949/- and of VAT Rs.33,69,392/- as at the end of the year. This matter is pending for decision before the Hon'ble Supreme Court.

10. The Company does not have any accumulated past losses at the end of the financial year under review and has not incurred any cash losses in the financial year. There was no cash loss incurred in the immediately preceeding financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not availed or taken any loan from banks or any financial institutions and hence there is no default in repayment of loan. The company has not accepted any fund on account of debentures.
12. According to the information and explanations given to us and the records examined by us, the company has not granted any loan on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund/ societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts for dealing in investments in shares and in the share derivatives transactions and timely entries have been made therein. The investments made by the Company are held in its own name.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof could have been prima facie prejudicial to the interest of the Company.
16. As informed to us, the company has not taken any term loans during the year.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the Company has not utilized short term loans taken from body corporates (ICD) for any long term investments.
18. The company has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us, the company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

For A PRADHAN & ASSOCIATES

Chartered Accountants

Place: Kolkata

Dated: 29th June, 2009

A. Pradhan

Partner

Membership No : 053543

ASHIRWAD STEELS & INDUSTRIES LTD.**BALANCE SHEET AS AT 31ST MARCH 2009**

	SCHEDULE	CURRENT YEAR 31.03.2009 (In Rupees)	PREVIOUS YEAR 31.03.2008 (In Rupees)
SOURCES OF FUNDS			
(a) Share Capital	1	80,000,000	80,000,000
(b) Reserve & Surplus	2	263,000,865	260,386,242
LOAN FUNDS			
(a) Unsecured Loans	3	215,089,230	88,347,214
DEFERRED TAX LIABILITY(NET)		<u>28,239,427</u>	<u>28,408,677</u>
GRAND TOTAL		<u>586,329,522</u>	<u>457,142,133</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		209,678,688	205,327,551
Less: Depreciation		<u>67,775,124</u>	<u>57,322,986</u>
Net Block		141,903,564	148,004,565
INVESTMENTS	5	10,214,287	15,160,285
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	6	154,739,004	111,745,633
(b) Sundry Debtors	7	25,647,238	75,472,209
(c) Cash & Bank Balances	8	238,246,384	103,123,536
(d) Other Current Assets	9	2,043,374	97,754
(e) Loans & Advances	10	<u>56,620,660</u>	<u>56,996,425</u>
		477,296,660	347,435,557
LESS: CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	11	28,083,239	42,712,997
(b) Provisions	12	<u>15,001,750</u>	<u>10,745,277</u>
NET CURRENT ASSETS		<u>434,211,671</u>	<u>293,977,283</u>
GRAND TOTAL		<u>586,329,522</u>	<u>457,142,133</u>
NOTES ON ACCOUNT	19		

Schedules 1 to 12 & 19 referred to above form
an integral Part of the Balance Sheet

As per our attached report of even date

For A Pradhan & Associates
Chartered Accountants
A. Pradhan
Partner

Membership No : 53543

PURANMAL AGARWAL : Chairman

DALBIR CHHIBBAR : Managing Director

YUDHBIR CHHIBBAR : Director

Place : Kolkata

Dated: 29th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	SCHEDULE	CURRENT YEAR 31.03.2009 (In Rupees)	PREVIOUS YEAR 31.03.2008 (In Rupees)
INCOME			
(a) Sales & Service(net of Excise Duty)	13	616,436,313	562,747,817
(b) Other Income	14	47,986,151	16,232,345
		664,422,464	578,980,162
EXPENDITURE			
(c) (Increase)/ Decrease in Stock	15	(13,838,580)	(268,667)
(d) Raw Materials Consumed	16	519,608,680	438,708,549
(e) Purchase (Trading)		7,082,935	—
(e) Manufacturing, Selling & Other Expenses	17	127,116,785	85,511,504
		639,969,820	523,951,386
		24,452,644	55,028,776
Prior Period Adjustment		10,887	12,808
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION		24,441,757	55,015,968
(g) Financial Charges	18	8,455,132	13,936,359
(h) Depreciation		10,452,138	10,148,775
PROFIT/ (LOSS) BEFORE TAXATION		5,534,487	30,930,834
PROVISIONS FOR TAXES			
(a) Income Tax for earlier period		243,395	
(b) Current Income Tax		2,563,000	2,830,000
(c) Deferred Income Tax		(169,250)	818,604
(d) Fringe Benefit Tax		282,720	147,854
PROFIT/ (LOSS) AFTER TAXATION		2,614,622	27,134,376
Add : Profit brought forward from last year		69,995,270	42,860,894
AMOUNT AVAILABLE FOR APPROPRIATION		72,609,893	69,995,270
BALANCE CARRIED FORWARD TO BALANCE SHEET		72,609,893	69,995,270
Earning per Share		0.33	3.39

NOTES ON ACCOUNT 19

Schedules 13 to 18 & 19 referred to above form
an integral Part of the Profit & Loss Account

As per our attached report of even date

For A Pradhan & Associates

Chartered Accountants

A. Pradhan

Partner

Place : Kolkata

Dated: 29th June, 2009

Membership No : 53543

PURANMAL AGARWAL : *Chairman***DALBIR CHHIBBAR** : *Managing Director***YUDHBIR CHHIBBAR** : *Director*

ASHIRWAD STEELS & INDUSTRIES LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009

	CURRENT YEAR 31.03.2009 (In Rupees)	PREVIOUS YEAR 31.03.2008 (In Rupees)
1 SHARE CAPITAL:		
Authorised :		
80,00,000 Equity Shares of Rs.10/- each.	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed & Paid up :		
80,00,000 Equity Shares of Rs.10/- each at par	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>
2 RESERVES & SURPLUS		
(I) General Reserve as per last Account	33,046,972	33,046,972
(ii) Profit & Loss Account	72,609,893	69,995,270
(iii) Share Premium Account	157,344,000	157,344,000
	<u>263,000,865</u>	<u>260,386,242</u>
3 UNSECURED LOAN		
From Body Corporates	205,250,000	68,620,000
Interest accrued on Unsecured Loan	9,839,230	19,727,214
	<u>215,089,230</u>	<u>88,347,214</u>
4 DEPRECIATION		
(As per Fixed Asset Schedule)	10,452,138	10,148,775
	<u>10,452,138</u>	<u>10,148,775</u>
5 INVESTMENTS (all at cost)		
(A) LONG TERM TRADE INVESTMENTS IN FULLY PAID UP EQUITY SHARES(QUOTED)		
(i) 3,500 Equity shares of Navketan Merchants Ltd. (Market Value as on 31.03.09 :Rs. 2.50 per share)	13,020	13,020
(ii) 20,000 Equity shares of Gautam Resources Ltd. (Market Value as on 31.03.09 :Rs. 40.50 per share)	196,400	196,400
(iii) 20,000 Equity shares of Herald Commerce Ltd. (Market Value as on 31.03.09 :Rs. 1.90 per share)	379,600	379,600
(iv) 5000 Shares of Vijaya Bank Ltd (Market Value as on 31.03.08 :Rs.49.55 per share)	—	367,783
(v) 50000 Shares of Reliance Petroleum Ltd (Market Value as on 31.03.08 :Rs.155.20 per share)	—	10,245,582
(vi) 262 Shares of Reliance Power Ltd (Market Value as on 31.03.08 :Rs.297.96 per share)	—	117,900
(B) LONG TERM TRADE INVESTMENTS IN FULLY PAID UP EQUITY SHARES(UNQUOTED)		
(i) 3,20,000 Shares of Chandil Industries Ltd	3,840,000	3,840,000
(C) CURRENT TRADE INVESTMENTS IN FULLY PAID UP EQUITY SHARES (Quoted)		
(i) 7000 Shares of Bharti Shipping (Market Value as on 31.03.09 : Rs.55.05 per share)	329,807	—
(ii) 390 Shares of Fag Bearing (Market Value as on 31.03.09 : Rs.279.90 per share)	89,902	—
(iii) 15000 Shares of Hotel Leela (Market Value as on 31.03.09 : Rs. 18.70 per share)	256,109	—
(iv) 40000 Shares of Indian Overseas Bank (Market Value as on 31.03.09 : Rs. 47.90 per share)	1,750,527	—
(v) 5000 Shares of Oriental Bank of Commerce (Market Value as on 31.03.09 : Rs.119.35 per share)	493,155	—
(vi) 15000 Shares of Tanla Sollution Ltd (Market Value as on 31.03.09 : Rs.26.25 per share)	365,767	—
(D) Mutual Fund Investment		
Tata Fixed Horizen Fund (NAV as on 31.03.09 : Rs.10.62 per Unit)	2,500,000	—
	<u>10,214,287</u>	<u>15,160,285</u>

SECHEDULE :4 : FIXED ASSETS

(Amount in Rupees)

NAME OF THE	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Opening As on 01.04.08	Addition during the year	Adjustment/ deduction	Balance as on 31.03.09	Upto 31.03.08	During the year	Aadjustment/ Deduction	Upto 31.03.09	As on 31.03.09	As on 31.03.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND (Free Hold)	1328675	—	—	1328675	—	—	—	—	1328675	1328675
LAND (Lease Hold)	4783943	—	—	4783943	318235	26460	—	344695	4439248	4465708
BUILDINGS	17919425	182099	—	18101524	3991460	596555	—	4588015	13513509	13927965
PLANT & MACHINERY	174540345	4147238	—	178687583	50482888	9188852	—	59671740	119015843	124057457
FURNITURE & FIXTURE	350055	21,800	—	371855	86394	21282	—	107676	264179	263661
MOTOR VEHICLE	6405107	—	—	6405107	2444009	618989	—	3062998	3342110	3961099
	205327551	4351137	—	209678688	57322986	10452138	—	67775124	141903564	148004565
PREVIOUS YEAR	196636523	8691028	—	205327551	47174211	10148775	—	57322986	148004565	

ASHIRWAD STEELS & INDUSTRIES LTD.

	CURRENT YEAR	PREVIOUS YEAR
	31.03.2009	31.03.2008
	(In Rupees)	(In Rupees)
6 INVENTORIES		
(As valued & certified by the management)		
Raw Materials	132,080,780	102,453,620
Finished Goods	21,021,765	5,851,138
Iron Ore Fines (Unusable / Scrap)	280,042	1,438,467
W.I.P (Sponge Iron)	239,938	385,960
Stores, Spares & Others	1,002,210	720,000
Fuel (Diesel Oil)	114,269	181,760
Goods in Transit	—	714,688
	<u>154,739,004</u>	<u>111,745,633</u>
7 SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding 6 months		
Considered Good	622,056	2,160,560
Doubtful	—	5,481,456
Other Debts		
Considered Good	25,025,182	67,830,193
	<u>25,647,238</u>	<u>75,472,209</u>
8 CASH & BANK BALANCES		
Cash in hand (As certified by the management)	2,300,859	1,979,337
Balances with Scheduled Banks :		
on Current Accounts	46,061,059	93,387,348
On Fixed Deposit Account (Citibank N.A & ST. CH. Bank)	177,500,000	—
On Fixed Deposit Account (CITIBANK,N.A)	12,384,466	7,756,851
(Pledged against Bank Guarantees)		
	<u>238,246,384</u>	<u>103,123,536</u>
9 OTHER CURRENT ASSETS		
Interest accrued on Bank Fixed Deposit.	2,043,374	97,754
	<u>2,043,374</u>	<u>97,754</u>
10 LOANS & ADVANCES		
A : ADVANCES:		
Advances recoverable in cash or in kind or for value to be received	3,075,430	712,000
Advance Income Tax	9,136,281	9,136,447
Advance for Fringe Benefit Tax	331,877	259,023
Advance for expenses	1,859,177	3,653,929
Advance to employees	182,000	214,500
Advance to Suppliers	26,603,588	26,608,481
Advance for Capital Goods	126,808	—
Balances with Central Excise & VAT authorities	2,608,505	3,689,058
Tax deducted at Source	5,727,506	3,326,549
B : DEPOSITS:		
With Sales Tax Department.	10,000	10,000
With other Govt. Departments	3,209,050	3,180,800
Other Deposits	3,750,438	6,205,638
	<u>56,620,660</u>	<u>56,996,425</u>
11 CURRENT LIABILITIES		
Sundry Creditors :		
For Goods	5,517,684	2,571,785
For Expenses	10,723,636	7,823,774
For Other Finance	2,661,420	6,016,592
For Capital Expenditure	—	100,000
Deferred CST Liability	2,493,949	2,773,949
Deferred VAT Liability	3,369,392	3,744,392
Advance from Customers	1,405,518	17,771,005
Security & Other Deposits	1,911,640	1,911,500
	<u>28,083,239</u>	<u>42,712,997</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

		CURRENT YEAR 31.03.2009 (In Rupees)	PREVIOUS YEAR 31.03.2008 (In Rupees)
12 PROVISIONS			
For Income Tax			
Balance b/d	10413400.00	16808541.00	
Less: Adjusted during the Year	—	9225141.00	
Add :For the year	<u>2806395.00</u>	2830000.00	10,413,400
For Fringe Benefit Tax			
Balance b/d	331877.00	184023.00	
Add: for the Year	<u>282720.00</u>	147854.00	331,877
For Gratuity		<u>1,167,358</u>	—
		<u>15,001,750</u>	<u>10,745,277</u>
13 SALES & SERVICE			
Gross Sales	694078835.00	648099373	
Less: Excise Duty	<u>77785581.00</u>	85506065	
Net sales		616,293,254	562,593,308
Service Charges		<u>143,059</u>	154,509
		616,436,313	<u>562,747,817</u>
14 OTHER INCOME			
Interest on F.D (T.D.S Rs.1426457.67/-, Previous Year of Rs. 5,53,142/-)		9,398,475	2,442,172
Interest on Security Deposit (TDS Rs. Nil) Previous Year Rs. 27,069/-		—	129,456
Interest on Sale Tax Deposit		—	10,928
Interest on Income Tax Refund		—	286,440
Miscellaneous Income		115,761	750
Miscellaneous Reciepts including sale of unusable/Scraped Iron Ore Fines & Coal Fines & Kiln Dust		24,705,233	9,300,924
Sundry Credit Balance Written Back		394,445	240,687
Lease Rent(TDS Rs. 4,64,898/-,Prev.Year Rs. 4,71,240/-)		4,103,225	2,100,000
Dividend Income		1,786,681	235,866
Capital Gain on sale of Investment		3,990,947	556,060
Surrender of Key Men Insurance		2,868,691	—
Profit in Derivatives of Shares. (F & O)		—	654,938
Profit from Speculative Business (Shares)		<u>622,693</u>	274,124
		47,986,151	<u>16,232,345</u>
15 INVENTORY CHANGE			
Opening Stock			
Finished Goods	5878738	5,186,588	
W.I.P	385960	199,468	
Iron Ore Fines (Unusable/ Scrap)	<u>1438467</u>	7,703,165	7,406,898
Less: Closing Stock			
Finished Goods	21021765	5,851,138	
W.I.P	239938	385,960	
Iron Ore Fines (Unusable/ Scrap)	<u>280042</u>	21,541,745	7,675,565
(Increase)/ Decrease in Inventory		(13,838,580)	<u>(268,667)</u>
16 RAW MATERIALS CONSUMED			
Opening Stock		102,426,020	72,855,809
Add: Purchase		549,263,440	468,306,360
Less: Closing Stock		132,080,780	102,453,620
Consumption		<u>519,608,680</u>	<u>438,708,549</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

		CURRENT YEAR	PREVIOUS YEAR
		31.03.2009	31.03.2008
		(In Rupees)	(In Rupees)
17	MANUFACTURING, SELLING & OTHER EXP.		
	Stores and Spares Consumed :Op.Stock	720000	679,260
	Add : for the year	6272075	6,096,841
	Less : Closing Stock	<u>1002210</u>	<u>720,000</u>
		5,989,865	6,056,101
	Fuel : Op.Stock	181760	66,348
	Add : Purchase during the year	9861856	7,253,564
	Less : Closing Stock	<u>114269</u>	<u>181,760</u>
		9,929,347	7,138,152
	Power		15,268,983
	16,430,588		
	Salaries,Wages and allowances	8,360,903	4,940,273
	Staff Welfare expenses	1,261,893	615,419
	Rent	209,200	230,400
	Rates & Taxes	889,520	745,539
	Auditors' Remuneration		
	I) Statutory Audit Fees	35,000	35,000
	ii) Tax Audit Fees	15,000	15,000
	iii) Internal Audit Fees	24,725	10,000
	Repair & Maintenance		
	I) Factory Building	764,469	143,060
	ii) Plant & Machinery	10,637,061	11,779,252
	iii) Others	285,647	323,617
	Excise Duty on Finished Goods	1,569,632	737,255
	Other Manufacturing Expenses	1,588,289	437,488
	Travelling & Conveyance	1,318,235	134,942
	Director's Remuneration	330,000	1,810,000
	Miscellaneous Expenses	7,483,497	4,650,608
	Vehicle Running Expenses	850,551	676,823
	Insurance Charges	21,364	21,271
	Commission on Sales	996,792	930,604
	Sales Tax (VAT & C.S.T)	27,075,528	25,319,023
	Entry Tax on Purchase	70,831	60,994
	Key Men Insurance Premium	10,000	723,560
	Contribution to P.F, Gratuity & Other Funds.	1,813,178	409,009
	Contribution to E.S.I	147,841	97,647
	Welfare Cess Charges	26,702	30,617
	Short Term Capital Loss on sale of Investments	10,250,911	1,009,262
	Loss on Derivative Trading	14,561,995	—
	Bad Debt Written off	<u>5,329,826</u>	<u>—</u>
		127,116,785	85,511,504
18	FINANCIAL CHARGES		
	Interest on :		
	Unsecured Loans	<u>8,455,132</u>	<u>13,936,359</u>
		8,455,132	13,936,359

19. NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**1. Significant Accounting Policies****(i) Basis of accounting**

- (a) The Company prepares its accounts under historical cost convention and on accrual basis except otherwise stated, in accordance with the normally accepted accounting principles.
- (b) Revenue from sale of goods is recognized on passage of title to the customers, which generally coincides with delivery. Revenue from services rendered is recognized on rendering of services to the customers.
- (c) Bonus including ex-gratia payable and leave salary payable to the employees, as per consistent practice, are accounted for on cash basis.
- (d) Dividend on Investments in shares and refunds of excise and other levies/taxes are accounted for on acceptance/actual receipt basis.

(ii) Fixed Assets:

Fixed Assets are stated at cost of acquisition net of cenvat and inclusive of freight, duties, and cost of finance during construction period and expenses related to acquisition, installation, erection and commissioning.

(iii) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Investments are carried and valued at cost. Profit or loss if any on the same are accounted for upon their disposal/Sale.

(iv) Depreciation:

- (a) Depreciation on fixed assets has been provided for on the straight-line method at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.
- (b) Depreciation on fixed assets added during the year is provided on Pro-rata with reference to the month of addition/deletion, except for assets costing Rs.5, 000/- or less on which 100% depreciation is provided.
- (c) Depreciation includes amount written off in respect of leasehold properties over the respective lease period.

(v) Valuation of Inventories:

Inventories are valued as under:

Raw Materials	At lower of cost or net realizable value.
Finished goods	At lower of cost (including Excise Duty) or net realizable value.
Work-in-Progress	At lower of cost or net realizable value. Cost includes direct materials, labour cost and manufacturing overheads based on normal operating capacity
Stores & Spares	At lower of cost or net realizable value.
Wastes & Others	At net realizable value.

The cost of inventories comprises of all costs of purchase, Freight, Taxes & Duties costs of conversion and other cost directly attributable to the acquisition thereof. For arriving at the cost of inventories, the FIFO cost formula along with the retail method for measurement of cost has been adopted.

(vi) Retirement Benefits and other Employee Benefits:

- a. Company's contributions to Provident Fund and Employees State Insurance Fund are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- b. Provision has been made for the liability on account of Gratuity payable to employees from the current financial year, which is unfunded plan of the company.

ASHIRWAD STEELS & INDUSTRIES LTD.

(vii) Sales:

Sales are inclusive of sales tax and excise duty and shown net of sales returns.

(viii) Other Income:

Interest income on Fixed Deposits is accounted for on accrual basis. Dividend and other interest income are accounted for as and when received.

(ix) Excise Duty:

Excise Duty is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factory as on the Balance Sheet date.

(x) Contingent Liabilities:

Contingent Liabilities that are not provided for have been disclosed by way of Notes to the Accounts.

(xi) Income tax:

Provision for Tax comprises of both current and deferred taxes. Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reversal of timing differences of earlier years, subject to consideration of prudence. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted on the Balance Sheet date.

(xii) Borrowing costs :

The borrowing costs other than relating to the acquisition / construction of assets are recognised as an expense in the financial accounts.

2. PRODUCTION DATA:

		Unit	LICENCED CAPACITY		INSTALLED CAPACITY		PRODUCTION/BOTTLING	
			Current Year 31.03.09	Previous Year 31.03.08	Current Year 31.03.09	Previous Year 31.03.08	Current Year 31.03.09	Previous Year 31.03.08
(a)	Sponge Iron	Mt	N.A.	N.A.	96,000	96,000	43916.000	50581.065
(b)	Refilling / Bottling of L.P.Gas / RLH Gas	Mt	N.A.	32.800 (Storage Capacity)	N.A.	N.A.	151.77	185.410

Note : There was no production carried on for L.P. Gas / RLH Gas. The Company has, however, done trading in the same by refilling/bottling of 151.77 M.T.

3. RAW MATERIALS CONSUMED :

		CURRENT YEAR 2008-2009		PREVIOUS YEAR 2007-2008	
		QTY	AMOUNT(Rs.)	QTY	AMOUNT(Rs.)
R.L.H/LP.Gas (Bulk)	MT	Nil	Nil	185.410	7050840
Iron Ore	MT	108238.000	306879937	118726.000	240762840
Coal	MT	90743.520	209817078	89663.520	188772762
Dolomite	MT	3966.500	2911665	3029.650	2122107
			519608680		438708549

ASHIRWAD STEELS & INDUSTRIES LTD.

4. INVENTORIES :

		Current Year 2008-2009		Previous Year 2007-2008	
	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
Opening Stock:					
R.L.H/L.P Gas (Filled Cylinders)	MT	0.625	28750	0.360	12340
Sponge Iron	MT	450.960	5849988	439.980	4529500
Stock on Consignment (Sponge Iron)		Nil	Nil	82.660	644748
Work in Progress (Sponge Iron)	MT	46.500	385960	28.000	199468
TOTAL			6264698		5386056
Purchase (Traded Goods):					
R.L.H/L.P Gas (Filled Cylinders)	MT	166.880	7082935	—	—
TOTAL			7082935	NIL	NIL
Sales :					
R.L.H/L.P Gas (Traded Goods) (Filled Cylinders)	MT	151.774	7679693	172.016	7941584
Sponge Iron	MT	42488.040	686399142	50570.085	640157789
TOTAL			694078835		648099373
Closing Stock:*					
R.L.H/L.P Gas (Filled Cylinders)	MT	11.200	403200	0.025	1150
Sponge Iron	MT	1878.920	20618565	450.960	5849988
Stock on Consignment (Sponge Iron)	MT	—	—	—	—
Work in Progress (Sponge Iron)	MT	20.750	239938	46.500	385960
TOTAL			21261703		6237098

*After adjustment of shortage / excess.

5. SEGMENT RESULTS:

(Amount in Rupees)

No.	PARTICULARS	SPONGE IRON	GAS	COMMON	TOTAL
1	Revenue				
	(a) External Sales (manufactured & traded)	608613561	7822752		616436313
	(b) Other Income	27573471	115761	20296919	47986151
	Total Revenue	636187032	7938513	20296919	664422464
2	Segment Results	25504016	(195126)	(11319270)	13989620
3	Unallocated Corporate Expenses			8455132	8455132
4	Net Profit(Consolidated)				5534488

ASHIRWAD STEELS & INDUSTRIES LTD.

5	<u>Other Information</u>				
(a)	Segment Assets	363539339	3163597	237301624	604004560
	Unallocated Corporate Assets	10214287	—	—	10214287
	Total Assets	373753626	3163597	237301624	614218847
(b)	Segment Liabilities	23591147	2217026	217364296	243173010
	Unallocated Corporate Liability			1167358	1167358
	Total Liability	23591688	2217026	218531654	244340368
(c)	Capital Expenditures incurred during the year	4224137	—	127000	4351137
(d)	Depreciation	10018179	60615	373344	10452138
(e)	Other non-cash expenditure	—	—	—	—

Notes :

- The Company has disclosed Business Segments. Segments have been identified taking into account the nature of the product, uses and production system. The Company's operations predominantly relate to manufacturing of Sponge Iron. The quantum of operations relating to refilling/trading in LPG/RLH Gases is quite nominal.
- The Company caters fully to the needs of the domestic market. The Export turnover of the Company is nil. As such there is no reportable geographical segments.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts allocated on a reasonable basis. The expenses, Assets and Liabilities that cannot be allocated between the segments are shown as unallocated expenses, Assets and Liabilities respectively.

6 Related Party Disclosure:

The Company has entered into transaction with related parties. The details of which are as follows:

Sl. No.	Name of the related party	Relationship	Nature of transaction	Amount (Rs.) (Lacs)	Balance Rs. (Lacs) as on 31.3.09
1.	Dalbir Chhibbar	Key Management Personnel (Managing Director)	Remuneration	1.80	NIL
2.	Dev Kumar Mishra	Director	Remuneration	1.50	NIL
3.	Meghdoot Vyapaar Pvt. Ltd.	Enterprise over which key management personnel exercise significant influence.	ICD Taken & refunded	30.00	NIL
4.	Sanyog Nirman (P) Ltd.	„	ICD refunded	4.280	NIL
5.	Chandil Industries Ltd.	„	Sale of Coal Fines	48.03	NIL
6	Satyatara Chhibbar Adv. Pvt. Ltd.	„	ICD Taken	100.00	100.33

7. Lease:

The Company has leased its RLHG/LPG Bottling Plant in the WBIDC land located at ULUBERIA, Howrah, (W. Bengal) along with all existing building, structures and equipment, storage bullets, piping etc. situated on the same land and the plant and machinery and other immovable assets with effect from 21.3.2000. The Lease Period expired on 20.03.2008 and the same was renewed / extended up to 31.03.2010. The requirement of disclosure under AS 19 in respect of Lease is not applicable as it comes into effect in respect of asset leased during accounting periods commencing on or after 1.4.2001 only.

8. Earning Per Share:.

		2009-10	2007-08
(i)	Profit /(Loss) after tax (Rupees)	2,615,069	27,134,376
(ii)	Weighted Average No. of Equity Shares(Nos.)	8,000,000	8,000,000
(iii)	Nominal value per Equity Share	Rs. 10/-	Rs.10/-
(iv)	Earnings Per Share (Rs.)	0.33	3.39

9. Deferred Tax Liability (Asset) : Income Tax

		Deferred tax Liability as at 01.04.08 (Rs.)	Current year charge/(Credit) (Rs.)	Deferred tax Liability as at 31.03.09 (Rs.)
(i)	Due to difference in Book and tax depreciation Rates.	28,408,677	(169,697)	28,238,980

In accordance with the requirement of Accounting Standard (AS) 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the deferred tax asset of Rs. 169,697/- for the year has been recognized in the Profit & Loss Account for the year.

10. During the year, in terms of accounting standard AS-28 issued by the Institute of Chartered Accountants of India on 'Impairment of Assets', the company has determined that there was no potential impairment loss in respect of its assets.
11. Managing Director's Remuneration for the year is Rs.180,000/- (Previous year Rs. 16,80,000/-) which includes a special bonus of Rs. NIL (Previous Year Rs. 1,500,000/- for taking a Life Insurance Policy).

12. Contingent Liabilities :

- a) Bank Guarantees issued by the Bank in favour of Third Parties on behalf of the company Rs. 12,384,466/- counter guaranteed by the company Rs.12,384,466/- (previous year Rs. 73,36,000/-). These are covered by charge created in favour of the Bankers by way of lien on Fixed Deposits held with the bank.
- b) Claims not acknowledged by company are relating to the following areas:

		2008-09 (Rs.)	2007-08 (Rs.)
(i)	Purchase Tax (VAT) on Coal Purchase(Out of which the company has paid Rs.15,08,911/- under protest).	3,017,821	3,017,821
(ii)	Income Tax (Pending before Appellate authorities in respect of which the company is in appeal.)	1,579,364	1,579,364

- c) An appeal order in respect of income tax has been passed for the assessment year 2006-07 wherein additions to the extent of Rs. 17.32 Lac has been confirmed. However, the order for appeal effect is pending for ascertainment of additional tax liability.

ASHIRWAD STEELS & INDUSTRIES LTD.

13. The debtors and creditors balances are subject to confirmation by the parties.
14. Raw material consumption includes only consumption of indigenous raw materials.
15. C.I.F. Value of imports and earning in foreign exchange Rs. Nil (previous year Rs. Nil)
- | | Year
2008-09 (Rs.) | Year
2007-08 (Rs.) |
|---|-----------------------|-----------------------|
| 16. Expenditure in Foreign Currencies: | | |
| Travel Expenses | 399,440/- | Nil |
17. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance payment) NIL (Previous year Rs. NIL)
18. There were no dues outstanding to any Small Scale Industrial Undertaking to whom the Company owed a sum exceeding Rs.1,00,000/- and which is outstanding for more than 30 days as at 31st March, 2009.
19. Deposits include National Savings Certificates and Post Office Savings Deposit pledged with:
- (i) Commercial Tax Authorities Rs.10,000/- (Previous year Rs.10,000/-)
- (ii) Mining Licensing Authorities Rs.5,000/- (Previous year Rs.5000/-)
20. Based on market value of the Company's investments as on 31.3.2009, there was no demuntion in value of shares and hence no provision for the same has been made in the accounts.
21. Previous year's figures have been re-grouped and re-classified wherever necessary to conform to current year's classifications.

Signature of Schedules 1 to 19

As per our attached report of even date

For A Pradhan & Associates
Chartered Accountants
A.Pradhan
Partner

Place : Kolkata
Dated: 29th June, 2009

Membership No : 53543

PURANMAL AGARWAL : *Chairman*
DALBIR CHHIBBAR : *Managing Director*
YUDHBIR CHHIBBAR : *Director*

ASHIRWAD STEELS & INDUSTRIES LTD.

CASH FLOW STATEMENT

	CURRENT YEAR 31.03.2009 (In Rupees)	PREVIOUS YEAR 31.03.2008 (In Rupees)
A Cash flow from operating activities		
Net Profit before operating activities	554,116	30,930,834
Adjustment for :		
1. Depreciation	10,452,138	10,148,775
2. Interest (Net)	(943,343)	11,067,363
3. Short Term Capital Loss on Investment	10,250,911	1,009,262
4. Sundry Credit Balance W/back	(394,445)	(240,687)
5. Sundry Debit Balance W/off	5,329,826	299,156
6. Lease Rent	(4,103,225)	(2,100,000)
7. Profit on sale of Investment/Derivative Income	(4,613,640)	(1,485,122)
8. Dividend Income	(1,786,681)	(235,866)
9. Gratuity Provision(Unfunded)	1,167,358	
Operating Profit before working Capital changes	15,913,015	49,393,715
Adjustment for :		
1. Trade and other receivables	53,682,258	(36,878,718)
2. Inventories	(43,000,570)	(30,708,581)
3. Trade payables	(14,629,217)	807,155
Cash generated from operations	11,965,486	(17,386,429)
Direct Tax Paid including FBT	(72,854)	(2,159,023)
Net cash from oprating activities	11,892,632	(19,545,452)
B Cash flow from Investing Activities		
1. Purchase of Fixed Assets	(4,351,137)	(8,541,028)
2. Interest Received	7,462,416	2,288,785
3. Dividend Received	1,786,681	235,866
4. Investment (Net)	(9,948,355)	(11,184,467)
5. Profit on Derivatives & speculation in shares	4,613,640	929,062
Net cash from investing Activities	(436,755)	(16,271,782)
C Cash flow from Financing Activities		
1. Interest paid	(14,871,356)	(17,805,362)
2. Short Term Borrowings	134,900,000	(97,505,000)
3. Issue of Preference shares		39,336,000
4. Share Premium		157,344,000
5. Lease Rent	3,638,327	1,628,760
Net Cash from financing activities	123,666,971	82,998,398
Net increase/decrease in cash & cash equivalents (A+B+C)	135,122,848	47,181,164
Cash & cash equivalents (Opening Balance)	103,123,536	55,942,372
Cash & cash equivalents (Closing Balance)	238,246,384	103,123,536

PURANMAL AGARWAL : **Chairman**
DALBIR CHHIBBAR : **Managing Director**
YUDHBIR CHHIBBAR : **Director**

We have verified the attached cash flow statement of Ashirwad Steels & Industries Ltd derived from audited annual financial statements and books and records maintained by the company for the year ended 31st March 2009 and found the same in agreement therewith and also with the requirment of clause 32 of the listing agreement with stock exchange.

For **A PRADHAN & ASSOCIATES**
Chartered Accountants
A.Pradhan
Partner
Membership No : 53543

Place : Kolkata
Dated: 29th June, 2009

PART-IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	0 4 0 2 0 1	State Code	21
Balance Sheet Date	3 1 0 3 0 9		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	N I L	Right/Preferential Issue	3 9 3 3 6
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	6 2 9 4 1 4	Total Assets	6 2 9 4 1 4
-------------------	-------------	--------------	-------------

Sources of Funds

Paid-up Capital	8 0 0 0 0	Reserves & Surplus	2 6 3 0 0 1
Secured Loans	N I L	Unsecured Loans	2 1 5 0 8 9

Application of Funds

Net Fixed Assets	1 4 1 9 0 3	Investments	1 0 2 1 4
Net Current Assets	4 0 5 9 7 3	Miscellaneous Expenditure	N I L
Accumulated Losses	N I L		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	6 6 4 4 2 2	Total Expenditure	6 5 8 8 8 8
Profit /Loss Before Tax	5 5 3 4	Profit/Loss After Tax	2 6 1 5
Earning per Share in Rs.	0 . 3 3	Dividend Rate %	N I L

V. Generic Names of the Principal Products/Services of the Company (as per monetary terms)

Item Code No (ITC Code)	0 7 3 0 6 9 0 0 9
Product Description	S P O N G E I R O N H Y D R O C A R B O N & L P G A S

 PURANMAL AGARWAL : *Chairman*

 DALBIR CHHIBBAR : *Managing Director*

 YUDHBIR CHHIBBAR : *Director*

ASHIRWAD STEELS & INDUSTRIES LIMITED

Registered Office :

6, Waterloo Street, Suite No. 506, 5th Floor

Kolkata - 700 069

I/We..... of

..... being a member / members

..... of

..... or failing him of

as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Monday, the 14th September, 2009 at 10.30 a.m. at 6, Waterloo Street, Suite No. 506, Kolkata - 700 069 and at any adjournment thereof.

Signed this day of2009

Signature

Affix
Re. 1/-
Revenue
Stamp

NOTE : PROXIES MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

ASHIRWAD STEELS & INDUSTRIES LIMITED
ATTENDANCE SLIP

1. Name of the attending member
(in Block Letters)

2. Member's Account Number

3. Name of the Proxy (in Block Letters to be filled in if the Proxy attends instead of the Member)
.....

No. of Shares

I hereby record my presence at the 23rd Annual general Meeting of the above Company on Monday, the 14th September, 2009.

* To be signed at the time of handing over this slip.

Member's Proxy's Signature

BOOK-POST

If undelivered please return to :

Niche Technologies Pvt. Ltd.

D-511, Bagree Market

71, B.R.B.B. Road, Kolkata - 700 001

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