

24th
annual
report
FOR THE YEAR ENDED
31ST MARCH 2010



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 and Nalgonda (A.P.). ING Vysya Bank, Kolkata Standard Chartered Bank, Kolkata State Bank of India, Jamshedpur, Nalgonda(A.P.) & Raigarh (Chhattisgarh). Corporation Bank, Raigarh, Chhattisgarh.
REGISTERED & HEAD OFFICE	:	6, Waterloo Street, 5th 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, 5th 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

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTICE

Notice is hereby given that the 24th 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 20th September, 2010 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, 2010 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. Suresh Kumar Agarwal, Mr. Yudhbir Chhibbar and Mr. Dev Kumar Mishra who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

Place : Kolkata

Dated : 31st May, 2010.

By Order of the Board
For Ashirwad Steels & Industries Ltd.,

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

Dalbir Chhibbar
Managing Director.

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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 13th September, 2010 to 20th September, 2010 (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 : 31st May, 2010.

By Order of the Board

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

Dalbir Chhibbar
Managing Director.

ASHIRWAD STEELS & INDUSTRIES LTD.**- DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors present their 24th Annual Report and the Audited Statements of Accounts of your Company together with Auditors' Report for the year ended 31st March, 2010.

	Current year (31.03.2010) Rs.	Previous year [31.03.2009] Rs.
FINANCIAL RESULTS :		
Turnover/Income from Operations(gross)	52,34,10,799	74,22,08,045
Less: Excise duty	(-) 3,37,12,901	(-) 7,77,85,581
Operating Profit before interest, Depreciation and Taxation	2,02,20,231	2,44,41,758
Depreciation	1,07,35,357	1,04,52,138
Financial Charges	31,65,359	84,55,132
Profit before Taxation	63,19,515	55,34,488
Tax Expenses :		
Current Income Tax	21,09,700	25,63,000
Income Tax for earlier period	8,74,979	2,43,395
Deferred Income Tax (Assets)	(1,82,999)	(1,69,697)
Fringe Benefit Tax	N.A.	2,82,720
Profit after Taxation	35,17,835	26,14,622
Add : Profit brought forward from last A/c.	7,26,09,893	6,99,95,270
Less : Transfer to General Reserve	419,53,028	—
Profits available for appropriation and carried to Balance sheet.	3,41,74,700	7,26,09,893

OPERATIONS & FINANCIAL PERFORMANCE :

The financial performance of your Company during the financial year ended 31.3.10 has not been satisfactory. The total income from operations/turnover stood at Rs.52.34 Crores (Previous year Rs.74.22 crores). During the year your Company produced 33141 M.T. of Sponge Iron (Previous year 43916 M.T.). The Company has during the year earned a net profit of Rs.35.17 lacs as against previous year's net profit of Rs.26.14 lacs. The overall financial performance of the Company has been adversely affected due to highly depressed market conditions in the secondary Steel Section in which your Company operates. The market conditions of Sponge Iron still continue to be very depressed. Your Directors, however, are continuing their best efforts to efficiently manage the affairs of the Company.

DIVIDEND :

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.

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DIRECTORS :

Mr. Suresh Kumar Agarwal, Mr. Yudhbir Chhibbar and Mr. Dev Kumar Mishra, Directors retire by rotation from the Board and being eligible offer themselves for re-appointment.

EXPANSION PROJECTS & CAPITAL RAISING :

Your Company has not been able to initiate any expansion project till now due to non-receipt of necessary clearances from the Pollution Control Authorities. As soon the same are obtained; your Directors would take a decision and initiate to set up expansion projects depending upon the market conditions which at present are highly depressed. During the year your Company had issued and allotted 45,00,000 Equity Shares on preferential allotment basis @ Rs.40/- per share including a premium of Rs.30/- per share for the purpose of proposed expansion 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 2009-2010 to the Stock Exchange, Mumbai, on which Company's shares are listed. The Company has also paid custodial fees for the year 2009-2010 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

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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.162256 Previous Year : 399440)

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, 2010, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.

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- (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, 2010 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 : 31st May, 2010

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 2009-10	Previous year 2008-09
1. Electricity :		
(a) Purchased		
Units	32,54,276	37,61,476
Total amount (Rupees)	1,40,01,692	1,52,69,358
Rate/Unit (Rupees)	4.30	4.06
(b) Own generation (D.G.Set)		
Units	4,24,587	3,97,434
Cost/Unit	12.65	11.59

Note :

The Company has not consumed or used Furnace Oil during the year under review. The Sponge Iron Plants have, however, Consumed 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.

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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	15.79	16.45
(ii)	Units consumed per Metric Ton of Sponge Iron produced	98.08	85.59

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 : 31st May, 2010.

For and on behalf of the Board

Dalbir Chhibbar
Managing Director.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(For the Financial Year ended 31st March, 2010)

(a) Industry Structure and Developments :

The principal product of the Company 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 and depressed market conditions 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 and freight and the Company has no control on their rates/prices.

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

The Central Government is trying to give a big thrust on infra-structure and housing development in the country and therefore the demands for long steel products which are made out of Sponge Iron is expected and likely to go up in the coming years. However, at present the secondary steel market is in deep trouble due to low demand and therefore, your Company's performance is also getting adversely affected.

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 which are unable to get access to their own Iron Ore and Coal Mines to survive, sustain and earn reasonable profits unless there is a corresponding hike in the selling prices of Sponge Iron.

(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. However, your Company mainly operates under the "Iron & Steel" Segment and hence segment wise result has not been given.

(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, 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.52.34 crores as compared to Rs. Rs.74.22 crores in the previous year. The operating profit before interest, depreciation and taxation stands to Rs 2.02 crores compared to Rs.2.44 crores in the previous year. The Company has earned a post-tax net profit of Rs.35.17 lacs as compared to a net profit of Rs.26.14 lacs 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, 2010)

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, 2010 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	
Puranmal 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	Executive	Nil	Nil	Nil	Nil
Ashok Kumar Jaiswal	Non-Executive (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 seven times e.g. on 29th April, 2009, 29th June, 2009, 14th July, 2009, 30th July, 2009, 29th October, 2009, 30th December, 2009 and 29th January, 2010.

ASHIRWAD STEELS & INDUSTRIES LTD.**(d) Attendance of Directors at the Board Meetings held during the year 2009-2010 and at the last Annual General Meeting (AGM)**

	Name of Directors	No. of Board Meetings		Attended last AGM on 14.9.2009
		Held	Attended	
1.	Puranmal Agarwal	7	5	Yes
2.	Dalbir Chhibbar	7	7	Yes
3.	Yudhbir Chhibbar	7	5	No
4.	Suresh Kr. Agarwal	7	6	Yes
5.	Ashok Kumar Jaiswal	7	7	Yes
6.	Pravin Kumar Chhabra	7	7	Yes
7.	Sushma Chhibbar	7	2	No
8.	Dev Kumar Mishra	7		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. 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.

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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 2010 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, 2010**

Name of the Directors	Salary and other benefits (Rupees)
Dalbir Chhibbar	1,80,000
Dev Kumar Mishra	1,50,000

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 31.3.2010.

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.

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7. General Body Meeting :

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

AGM	Financial Year	Date	Time	Place
21st	2006-2007	24.9.07	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)
22nd	2007-2008	22.9.08	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)
23rd	2008-2009	14.9.09	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:

- (i) *Financial Express* (English)
- (ii) *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 24th Annual General Meeting of your Company will be held on 20th September, 2010 at its Registered Office at 6, Waterloo Street, 5th floor, Suite No.506, Kolkata-700 069 at 10.30 a.m.

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(b) Financial Calender :

Financial Year March 31.
AGM in September

(c) Date of Book Closure :

Commencement – 13th September, 2010
Ending – 20th September, 2010.
(Both days inclusive)

(d) Dividend Payment Date :

The Company has not declared any dividend for the Financial Year ended 31st March, 2010.

(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, 2009 to 31st March, 2010 are given below :

Month	High Price (Rs.)	Low Price (Rs.)
April, 2009	9.10	5.53
May, 2009	12.14	8.36
June, 2009	12.24	10.00
July, 2009	12.70	11.00
August, 2009	11.53	10.06
September, 2009	12.75	10.56
October, 2009	13.00	10.86
November, 2009	12.77	10.51
December, 2009	12.25	9.56
January, 2010	18.61	11.82
February, 2010	16.50	12.30
March, 2010	14.39	12.20

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(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, 2010

Category of share holder	No. of Equity Shares held	% of Shares held
(A) Promoter's Holding	3861426	30.891
(B) Non Promoter's Holding		
Institutional Investors	208700	1.670
Private Corporate Bodies	7057156	56.457
Indian Public	1211779	9.694
NRIs/OCBs	145391	1.163
Others	15548	0.125
Total	12500000	100.000

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

ASHIRWAD STEELS & INDUSTRIES LTD.**(k) Distribution of Shareholding as on 31st March, 2010 :-**

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	2967	86.2500	4,19,759	3.3581
501 to 1000	171	4.9709	1,40,521	1.1242
1001 to 5000	189	5.4942	4,61,301	3.6904
5001 to 10000	31	0.9012	2,54,601	2.0368
10001 to 50000	39	1.1337	11,20,755	8.9660
50001 to 100000	9	0.2616	6,30,127	5.0410
100001 and above	34	0.9884	94,72,936	75.7835
Total	3440	100.0000	1,25,00,000	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; 10310562 number of shares (82.48 %) have been dematerialized as on 31.03.2010.

(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. Naigonda, Andhra Pradesh - 508 114. |
| LPG/RLHG Bottling Plants | 1) Uluberia Industrial Growth Centre, Uluberia, Howrah, West Bengal, Pin - 711 315 |
| | 2) Village : Kisanapur, Near Urdana Check Post, Raigarh-496001 (Chhattisgarh). |

(p) Corporate Identification No.: L51909WB1986PLC040201

ASHIRWAD STEELS & INDUSTRIES LTD.

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 : 31st May, 2010.
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, 2010 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, 2010, 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 : 31st May, 2010.

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 2010 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 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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, 2010, 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: 2D, Panditia Rd.,
Kolkata

Date: 31st May, 2010

A. PRADHAN
(Proprietor)
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, 2010:

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) In our opinion, no substantial part of fixed assets employed by the company had been disposed off 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.3,10,47,204/- and the year end balance of such loans was Rs. NIL.
- (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.

ASHIRWAD STEELS & INDUSTRIES LTD.

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, services and disposal of fixed assets. 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 for loans taken referred to in section 301 of the Act have been entered in the said register .
(b) During the year there were no contracts or arrangements exceeding the value of five lakhs rupees with any concern listed in the register maintained under Section 301 of the Companies Act, 1956.
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 31.03.2010
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 31.03.2010

- (b) 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 it's Sponge Iron project at Jamshedpur. The company has accordingly shown deferred tax liability on account of CST Rs. 16,64,369/- and of VAT Rs.22,46,636/- as at the end of the year. This matter is pending for decision before the Hon'ble Supreme Court.

ASHIRWAD STEELS & INDUSTRIES LTD.

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 preceding 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 made preferential allotment of 45, 00,000 equity shares during the year at Rs. 40 per share including premium of Rs. 30 each.
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: 2D, Panditia Rd.,
Kolkata
Date: 31th May, 2010

A. PRADHAN
(Proprietor)
Membership No: 053543

ASHIRWAD STEELS & INDUSTRIES LTD.**BALANCE SHEET AS AT 31ST MARCH 2010**

PARTICULARS	SCHEDULES	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
SOURCES OF FUNDS			
(a) Share Capital	1	125,000,000	80,000,000
(b) Reserve & Surplus	2	401,518,700	263,000,865
LOAN FUNDS			
(a) Unsecured Loans	3		215,089,230
DEFERRED TAX LIABILITY (NET)		<u>28,056,428</u>	<u>28,239,427</u>
		<u>554,575,128</u>	<u>586,329,522</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	4		
Gross Block		214,276,481	209,678,688
Less: Depreciation		<u>78,362,740</u>	<u>67,775,124</u>
Net Block		<u>135,913,740</u>	<u>141,903,564</u>
INVESTMENTS	5	15,383,914	10,214,287
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	6	156,131,866	154,739,004
(b) Sundry Debtors	7	33,284,354	25,647,238
(c) Cash & Bank Balances	8	125,386,000	238,246,384
(d) Other Current Assets	9	4,708,460	2,043,374
(e) Loans & Advances	10	<u>123,194,865</u>	<u>56,620,660</u>
		<u>442,705,545</u>	<u>477,296,660</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	11	30,135,183	28,083,239
(b) Provisions	12	<u>9,292,888</u>	<u>15,001,750</u>
NET CURRENT ASSETS		<u>403,277,474</u>	<u>434,211,671</u>
		<u>554,575,128</u>	<u>586,329,522</u>
NOTES ON ACCOUNT	19		

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

PURANMAL AGARWAL : Chairman

As per our attached report of even date

DALBIR CHHIBBAR : Managing Director

For **A. PRADHAN & ASSOCIATES**
Chartered Accountants

YUDHBIR CHHIBBAR : Director

Place : Kolkata

A. Pradhan

Dated : 31st May, 2010

Proprietor

Membership No. 053543

ASHIRWAD STEELS & INDUSTRIES LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULES	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
INCOME			
(a) Sales & Service(net of Excise Duty)	13	423,453,007	616,436,313
(b) Other Income	14	<u>66,244,891</u>	<u>47,986,151</u>
		<u>489,697,898</u>	<u>664,422,464</u>
EXPENDITURE			
(c) (Increase)/ Decrease in Stock	15	2,459,780	(13,838,580)
(d). Raw Materials Consumed	16	384,321,555	519,608,680
(e) Purchase (Trading)		9,436,177	7,082,935
(f) Manufacturing, Selling & Other Expenses	17	<u>73,260,154</u>	<u>127,116,785</u>
		<u>469,477,667</u>	<u>639,969,820</u>
Prior Period Adjustment		-	10,887
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION		20,220,231	24,441,757
(g) Interest	18	3,165,359	8,455,132
(h) Depreciation		<u>10,735,357</u>	<u>10,452,138</u>
PROFIT BEFORE TAXATION		<u>6,319,515</u>	<u>5,534,487</u>
TAX EXPENSES			
(a) Current Income Tax		2,109,700	2,563,000
(b) Deferred Income Tax Charges(Credit)		(182,999)	(169,250)
(c) Fringe Benefit Tax		-	282,720
(d) Income Tax for Earliar Year		874,979	243,395
PROFIT AFTER TAXATION		3,517,835	2,614,622
APPROPRIATIONS			
Less: Transferred to General Reserve		41,953,028	
Add : Profit brought forward from last year		72,609,893	69,995,270
AMOUNT AVAILABLE FOR APPROPRIATION		<u>34,174,700</u>	<u>72,609,893</u>
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>34,174,700</u>	<u>72,609,893</u>
Earning per Share		0.28	0.33
NOTES ON ACCOUNT	19		

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

PURANMAL AGARWAL : Chairman

As per our attached report of even date

DALBIR CHHIBBAR : Managing Director

For **A. PRADHAN & ASSOCIATES**
Chartered Accountants

YUDHBIR CHHIBBAR : Director

Place : Kolkata

A. Pradhan

Dated : 31st May, 2010

Proprietor

Membership No. 053543

ASHIRWAD STEELS & INDUSTRIES LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	CURRENT YEAR 31.03.2010 Rs.	PREVIOUS YEAR 31.03.2009 Rs.
A Cash flow from operating activities		
Net Profit before operating activities	6,319,515	554,116
Adjustment for :		
1. Depreciation	10,735,357	10,452,138
2. Interest (Net)	(8,966,954)	(943,343)
3. Short Term Capital Loss on Investment	173,177	10,250,911
4. Loss on disposal of Motor Vehicle	145,559	—
5. Sundry Credit Balance W/back	(1,352,853)	(394,445)
6. Sundry Debit Balance W/off	—	5,329,826
7. Lease Rent	(4,200,000)	(4,103,225)
8. Profit on sale of Investment/Derivative Income	(339,806)	(4,613,640)
9. Dividend Income	(419,712)	(1,786,681)
10. Gratuity Provision(Unfunded)	379,435	1,167,358
Operating Profit before working Capital changes	2,473,718	15,913,015
Adjustment for :		
1. Trade and other receivables	(81,676,512)	53,682,258
2. Inventories	(1,392,862)	(43,000,570)
3. Trade payables	4,004,280	(14,629,217)
Cash generated from operations	(76,591,376)	11,965,486
Direct Tax Paid including FBT	(453,728)	(72,854)
Net cash from operating activities	(77,045,104)	11,892,632
B Cash flow from Investing Activities		
1. Purchase of Fixed Assets	(5,016,092)	(4,351,137)
2. Sale of Fixed Assets	125,000	—
3. Interest Received	7,916,674	7,462,416
4. Dividend Received	419,712	1,786,681
5. Investment (Net)	(5,169,627)	(9,948,355)
6. Profit on Derivatives & speculation in shares	339,806	4,613,640
Net cash from investing Activities	(1,384,527)	(436,755)
C Cash flow from Financing Activities		
1. Loan (Net)	(25,250,000)	
2. Interest paid	(13,004,589)	(14,871,356)
3. Short Term Borrowings		134,900,000
4. Lease Rent	3,823,835	3,638,327
Net Cash from financing activities	(34,430,754)	123,666,971
Net increase/decrease in cash & cash equivalents (A+B+C)	(112,860,385)	135,122,848
Cash & cash equivalents (Opening Balance)	<u>238,246,384</u>	<u>103,123,536</u>
Cash & cash equivalents (Closing Balance)	<u>125,385,999</u>	<u>238,246,384</u>

PURANMAL AGARWAL : **Chaiman**
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 2010 and found the same in agreement therewith and also with the requirrmnt of clause 32 of the listing agreement with stock exchange.

Place : Kolkata
Dated : 31st May, 2010

For A PRADHAN & ASSOCIATES
Chartered Accountants
A.Pradhan
Proprietor
Membership No : 053543

ASHIRWAD STEELS & INDUSTRIES LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE NO.	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
1 SHARE CAPITAL:		
Authorised :		
1,25,00,000 Equity Shares of Rs.10/- each at par	125,000,000	80,000,000
(Previous Year, 80,00,000 Equity Shares of Rs.10/- each at par)	<u>125,000,000</u>	<u>80,000,000</u>
Issued , Subscribed & Paid up :		
1,25,00,000 Equity Shares of Rs.10/- each at par	125,000,000	80,000,000
(Previous Year, 80,00,000 Equity Shares of Rs.10/- each at par)	<u>125,000,000</u>	<u>80,000,000</u>
2 RESERVES & SURPLUS		
(i) General Reserve as per last Account	33,046,972	
Add: Add for the Year	<u>41,953,028</u>	33,046,972
(ii) Profit & Loss Account	34,174,700	72,609,893
(iii) Share Premium Account	<u>292,344,000</u>	<u>157,344,000</u>
	<u>401,518,700</u>	<u>263,000,865</u>
3 UNSECURED LOAN		
From Body Corporates	—	205,250,000
Interest accrued on Unsecured Loan	—	<u>9,839,230</u>
	—	<u>215,089,230</u>
4 DEPRECIATION		
(As per Fixed Asset Schedule)	<u>10,735,357</u>	<u>10,452,138</u>
	<u>10,735,357</u>	<u>10,452,138</u>
5 INVESTMENTS (all at cost)	15383914	10,214,287
(As per Investment Schedule)	<u>15,383,914</u>	<u>10,214,287</u>
6 INVENTORIES		
(As valued & certified by the management)		
Raw Materials	130,935,774	132,080,780
Finished Goods	16,237,566	21,021,765
Iron Ore Fines (Unusable / Scrap)	2,527,442	280,042
W.I.P (Sponge Iron)	316,957	239,938
Stores, Spares & Others	1,233,145	1,002,210
Fuel (Diesel Oil)	130,935	114,269
Goods in Transit	<u>4,750,047</u>	—
	<u>156,131,866</u>	<u>154,739,004</u>
7 SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding 6 months		
Considered Good	41,316	622,056
Doubtful	—	—
Other Debts		
Considered Good	33,243,038	25,025,182
Doubtful	—	—
	<u>33,284,354</u>	<u>25,647,238</u>
8 CASH & BANK BALANCES		
Cash in hand (As certified by the management)	1,900,342	2,300,859
Balances with Scheduled Banks :		
on Current Accounts	42,651,537	46,061,059
On Fixed Deposit Account (Citibank N.A & ST. CH. Bank)	69,731,124	177,500,000
On Fixed Deposit Account(CITIBANK N.A)	11,102,997	12,384,466
(Pledged against Bar: Guarantees given to Govt Departments and Govt.Coal Companies.)	<u>125,386,000</u>	<u>238,246,384</u>
9 OTHER CURRENT ASSETS		
Interest accrued on Bank Fixed Deposit.	4,708,460	2,043,374
	<u>4,708,460</u>	<u>2,043,374</u>

SECHEDULE :4 : FIXED ASSETS

(Amount in Rupees)

NAME OF THE FIXED ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	OPENING AS ON 01.04.09	ADDITION DURING THE YEAR	ADJUSTMENT/ DEDUCTION	BALANCE AS ON 31.03.10	UPTO 31.03.09	DURING THE YEAR	ADJUSTMENT/ DEDUCTION	UPTO 31.03.10	AS ON 31.03.10	AS ON 31.03.09
LAND (Free Hold)	1328675	—	—	1328675	—	—	—	—	1328675	1328675
LAND (Lease Hold)	4783943	469860	—	5253803	344695	49953	—	394648	4859155	4439248
BUILDINGS	18101524	229399	—	18330923	4588015	601127	—	5189142	13141781	13513509
PLANT & MACHINERY	178687583	3428404	—	182115987	59671740	9412578	—	69084318	113031669	119015843
FURNITURE & FIXTURE	371855	—	—	371855	107676	21114	—	128790	243065	264179
MOTOR VEHICLE	6405107	888430	418300	6875237	3062998	650585	147741	3565842	3309395	3342109
	209678687	5016093	418300	214276480	67775124	10735357	147741	78362740	135913740	141903563
PREVIOUS YEAR	205327551	4351137	—	209678688	57322986	10452138	—	67775124	141903564	148004565

ASHIRWAD STEELS & INDUSTRIES LTD.**SCHEDULE : 5 :**

PARTICULARS	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
INVESTMENTS (all valued at cost)		
(A) LONG TERM TRADE INVESTMENTS		
(In Fully paid up Equity Shares (Quoted))		
(1) 3,500 Equity shares of Navketan Merchants Ltd. (Market Value as on 31.03.10 : Rs. 2.50 per share)	13020	13020.00
(2) 20,000 Equity shares of Goutam Resources Ltd. (Market Value as on 31.03.10 : Rs. 40.50 per share)	196400	196400.00
(3) 20,000 Equity shares of Herald Commerce Ltd. (Market Value as on 31.03.10 : Rs. 1.90 per share)	379600	379600.00
(B) SHORT TERM TRADE INVESTMENTS		
(In Fully paid up Equity Shares (Quoted))		
(4) 7000 Shares of Bharti Shipyard Ltd.	-	329,807
(5) 390 Shares of Fag Bearing India Ltd.	-	89,902
(6) 15000 Shares of Hotel Leela Venture Ltd. (Market Value as on 31.03.10 : Rs. 91.95 per share)	-	256,109
(7) 5000 Shares of Oriental Bank of Commerce	-	493,155
(8) 15000 Shares of Tanla Soluttion Ltd	-	365,767
(9) 2500 Shares of Indian Overseas Bank (Market Value as on 31.03.10 : Rs. 88.17 per share)	220467	1,750,527
(10) 4000 Shares of 3I Infotech (Market Value as on 31.03.10 : Rs. 78.25 per share)	329559	-
(11) 2500 Shares of Alok Textiles Ltd. (Market Value as on 31.03.10 : Rs. 22.15 per share)	59374	-
(12) 2500 Shares of Archies Ltd (Market Value as on 31.03.10 : Rs. 93.40 per share)	232490	-
(13) 2000 Shares of Balarampur Chini Mills Ltd. (Market Value as on 31.03.10 : Rs. 91.75 per share)	209071	-
(14) 2500 Shares of Dawat (LT Overseas Ltd.) (Market Value as on 31.03.10 : Rs. 59.05 per share)	155318	-
(15) 25000 Shares of India Bulls Power Ltd. (Market Value as on 31.03.10 : Rs. 30.65 per share)	797199	-
(16) 27500 Shares of India Bulls Securities Ltd. (Market Value as on 31.03.10 : Rs. 27.75 per share)	908279	-
(17) 7000 Shares of ICSA India Ltd. (Market Value as on 31.03.10 : Rs. 126.90 per share)	975560	-
(18) 2500 Shares of IFCI Ltd. (Market Value as on 31.03.10 : Rs. 49.95 per share)	121949	-

ASHIRWAD STEELS & INDUSTRIES LTD.

(19) 5000 Shares of Indian Bank (Market Value as on 31.03.10 : Rs. 175.25 per share)	875382	—
(20) 10000 Shares of J K Lakshmi Cement Ltd. (Market Value as on 31.03.10 : Rs. 71.80 per share)	697082	—
(21) 17500 Shares of Nectar Lifesciences Ltd. (Market Value as on 31.03.10 : Rs. 36.20 per share)	612679	—
(22) 3000 Shares of Parekh Alum. Ltd. (Market Value as on 31.03.10 : Rs. 136.55 per share)	430511	—
(23) 4000 Shares of Sree Renuka Sugar Ltd. (Market Value as on 31.03.10 : Rs. 71.25 per share)	672339	—
(24) 2500 Shares of Rel. Nat. Resources Ltd. (Market Value as on 31.03.10 : Rs. 62.35 per share)	158473	—
(25) 2500 Shares of Shakthi Sugar Ltd. (Market Value as on 31.03.10 : Rs. 59.30 per share)	176444	—
(26) 5000 Shares of Satyam Computer Services Ltd. (Market Value as on 31.03.10 : Rs. 92.50 per share)	489542	—
(27) 3000 Shares of SRF Ltd. (Market Value as on 31.03.10 : Rs. 197.70 per share)	570412	—
(28) 1500 Shares of Suzlon Energy Ltd. (Market Value as on 31.03.10 : Rs. 72.00 per share)	107639	—
(29) 5000 Shares of Syndicate Bank (Market Value as on 31.03.10 : Rs. 86.15 per share)	413972	—
(30) 80000 Shares of Vardhman Acrylic Ltd (Market Value as on 31.03.10 : Rs. 10.95 per share)	909605	—
(31) 12500 Shares of Westcoast Paper Ltd (Market Value as on 31.03.10 : Rs. 61.50 per share)	831548	—
(C) LONG TERM TRADE INVESTMENTS (In Fully paid up Equity Shares (Unquoted))		
(i) 3,20,000 Shares of Chandil Ind. Ltd	3840000	3840000
(D) In Mutual Fund		
Tata Fixed Horizen Fund	—	2500000
	15383914	10214287

ASHIRWAD STEELS & INDUSTRIES LTD.

	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
10 LOANS & ADVANCES		
A : ADVANCES:		
Advances recoverable in cash or in kind or for value to be received	550,000	3,075,430
Advance Income Tax	2,171,008	9,136,281
Advance Fringe Benefit Tax	-	331,877
Advance for expenses	8,277,722	1,859,177
Advance to employees	180,949	182,000
Advance to Suppliers	48,268,536	26,603,588
Advance for Capital Goods	2,572,000	126,808
Balances with Central Excise & VAT authorities	2,014,816	2,608,505
Tax deducted at Source	5,165,650	5,727,506
Income Tax Refundable	1,291,885	—
 B : DEPOSITS:		
With Sales Tax Department.	10,000	10,000
With other Govt. Departments	4,036,100	3,209,050
Other Deposits	48,656,200	3,750,438
	123,194,865	56,620,660
 -11 CURRENT LIABILITIES		
Sundry Creditors :		
For Goods	37,393	5,517,684
For Expenses	18,401,460	10,723,636
For Other Finance	1,595,735	2,661,420
Deferred CST Liability	1,664,369	2,493,949
Deferred VAT Liability	2,246,636	3,369,392
Advance from Customers	4,311,220	1,405,518
Security & Other Deposits	1,878,370	1,911,640
	30,135,183	28,083,239
 12 PROVISIONS		
For Income Tax		
Balance b/d	13219795	10413400
Less: Adjusted during the Year	7583400	
Add :For the year	2109700	2806395
	7,746,095	13,219,795
 For Fringe Benefit Tax		
Balance b/d	614597	331877
Less: Adjusted during the Year	614597	282720
		614,597
 For Staff Gratuity		
Balance b/d	1167358	
Add: for the Year	379435	1,167,358
	1,546,793	1,167,358
	9,292,888	15,001,750

ASHIRWAD STEELS & INDUSTRIES LTD.

	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
13 SALES & SERVICE		
Gross Sales	457011187	694,078,835
Less: Excise Duty	<u>33712901</u>	<u>77,785,581</u>
Net sales	423,298,286	616,293,254
Service Charges	<u>154,721</u>	<u>143,059</u>
	<u>423,453,007</u>	<u>616,436,313</u>
14 OTHER INCOME		
Interest on F.D (T.D.S of Rs 1538147.10 Previous Year 1426457.67)	11,459,797	9,398,475
Interest on Security Deposit (TDS Rs. Nil)	121,946	-
Interest on Sale Tax Deposit	301,100	-
Interest on Income Tax Refund	125,408	-
Interest on Loan Given (T.D.S of Rs.12406/- Previous Year Rs.Nil)	124,062	-
Miscellaneous Income	30,040	115,761
Miscellaneous Receipts including sale of unusable/Scraped Iron Ore Fines, Coal Fines & Kiln Dust	43,339,917	24,705,233
Sundry Credit Balance Written Back	1,352,853	394,445
Lease Rent(TDS Rs.376165.50,Prev.Year Rs.4,64,898/-)	4,200,000	4,103,225
Dividend Income	419,712	1,786,681
Capital Gain on sale of Investment(Short Term)	4,763,533	3,990,947
Surrender of Key Men Insurance	-	2,868,691
Profit from Speculative Business(Shares)	6,523	622,693
	<u>66,244,891</u>	<u>47,986,151</u>
15 INVENTORY CHANGE		
Opening Stock		
Finished Goods	21021765	5,878,738
W.I.P	239938	385,960
Iron Ore Fines (Unusable/ Scrap)	<u>280042</u>	<u>1,438,467</u> 7,703,165
Less: Closing Stock		
Finished Goods	16237566	21,021,765
W.I.P	316957	239,938
Iron Ore Fines (Unusable/ Scrap)	<u>2527442</u>	<u>280,042</u> 21,541,745
(Increase)/ Decrease in Inventory	<u>2,459,780</u>	<u>(13,838,580)</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
16 RAW MATERIALS CONSUMED		
Opening Stock	132,080,780	102,426,020
Add: Purchase	383,176,549	549,263,440
Less: Closing Stock	130,935,774	132,080,780
Consumption	<u>384,321,555</u>	<u>519,608,680</u>
17 MANUFACTURING,SELLING & OTHER EXP.		
Stores and Spares Consumed :Op.Stock	1,002,210	720,000
Add : for the year	3,379,911	6,272,075
Less : Closing Stock	<u>1,233,145</u>	<u>1,002,210</u>
	3,148,976	5,989,865
Fuel : Op.Stock	114,269	181,760
Add : Purchase during the year	8,063,328	9,861,856
Less : Closing Stock	<u>130,935</u>	<u>114,269</u>
	8,046,662	9,929,347
Power	14,357,614	15,268,983
Salaries,Wages and allowances	7,557,395	8,360,903
Staff Welfare expenses	1,030,700	1,261,893
Rent	238,000	209,200
Rates & Taxes	704,249	889,520
Auditors' Remuneration		
i) Statutory Audit Fees	40,000	35,000
ii) Tax Audit Fees	15,000	15,000
iii) Internal Audit Fees	18,000	24,725
iv) Sale Tax Audit	3,750	
Repair & Maintenance		
i) Factory Building	363,787	764,469
ii) Plant & Machinery	3,911,559	10,637,061
iii) Others	166,300	285,647
Excise Duty on Finished Goods	1,523,844	1,569,632
Other Manufacturing Expenses	625,789	1,588,289
Travelling & Conveyance	889,724	1,318,235
Director's Remuneration	330,000	330,000
Miscellaneous Expenses	3,971,376	7,483,497
Vehicle Running Expenses	750,030	850,551
Insurance Charges	88,131	21,364

ASHIRWAD STEELS & INDUSTRIES LTD.

	CURRENT YEAR 31.03.2010 (In Rupees)	PREVIOUS YEAR 31.03.2009 (In Rupees)
Commission on Sales	—	996,792
Sales Tax (VAT & C.S.T)	19,487,915	27,075,528
Entry Tax on Purchase	94,361	70,831
Key Men Insurance Premium	—	10,000
Contribution to P.F, Gratuity & Other Funds.	1,007,723	1,813,178
Contribution to E.S.I	120,016	147,841
Welfare Cess Charges	20,267	26,702
Capital Loss on sale of Investments(Short Term)	173,177	10,250,911
Loss on Disposal of Motor Vehicle	145,559	—
Loss on Derivative Trading in Shares & FO	4,430,250	14,561,995
Bad Debt Written off	—	5,329,826
	<u>73,260,154</u>	<u>127,116,785</u>
18 FINANCIAL CHARGES		
Interest on :		
Unsecured Loans	3,165,359	8,455,132
	<u>3,165,359</u>	<u>8,455,132</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

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.

ASHIRWAD STEELS & INDUSTRIES LTD.

(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, which is unfunded plan of the company.

(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:**

			LICENCED CAPACITY		INSTALLED CAPACITY		PRODUCTION/ BOTTLING	
		Unit	Current Year 31.03.10	Previous Year 31.03.09	Current Year 31.03.10	Previous Year 31.03.09	Current Year 31.03.10	Previous Year 31.03.09
(a)	Sponge Iron	Mt	N.A.	N.A.	96000	96,000	33141	43916
(b)	Bottling / Trading of L.P.Gas	Mt	N.A.	N.A.)	N.A.	N.A.	NIL	151.77

ASHIRWAD STEELS & INDUSTRIES LTD.

3. RAW MATERIALS CONSUMED :

	CURRENT YEAR 2009-2010		PREVIOUS YEAR 2008-2009	
	QTY(MT)	AMOUNT (Rs.)	QTY(MT)	AMOUNT(Rs.)
Iron Ore	74791	188369314	108238	306879937
Coal	80982	194432258	90744	209817078
Dolomite	1870	1519983	3966.	2911665
		384321555		519608680

4. INVENTORIES:

	Current Year 2009-2010		Previous Year 2008-2009	
	Qty(MT)	Value (Rs.)	Qty(MT)	Value (Rs.)
Opening Stock:				
L.P Gas (Filled Cylinders)	11.200	403200	0.625	28750
Sponge Iron	1878.920	20618565	450.960	5849988
Work in Progress (Sponge Iron)	20.750	239938	46.500	385960
TOTAL		21261703		6264698
Purchase(Traded Goods):				
L.P Gas (Filled Cylinders)	244.460	9436177	166.880	7082935
TOTAL		9436177		7082935
Sales :				
L.P Gas(Traded Goods) (Filled Cylinders)	246.070	11928247	151.774	7679693
Sponge Iron	33957.315	445082940	42488.040	686399142
TOTAL		457011187		694078835
Closing Stock:*				
L.P Gas (Filled Cylinders)	5.300	233200	11.200	403200
Sponge Iron	1062.605	16004366	1878.920	20618565
Work in Progress (Sponge Iron)	16.500	316957	20.750	239938
TOTAL		16554523		21261703

* After adjustment of shortage/ excess.

ASHIRWAD STEELS & INDUSTRIES LTD.

5. 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 31.3.10
1.	Dalbir Chhibbar	Key Management Personnel (Managing Director)	Remuneration	1.80	Nil
2.	Dev Kumar Mishra	Director	Remuneration	1.50	NIL
3.	Chhibbar Business & Fiscals Pvt. Ltd.	Enterprise over which key management personnel exercise significant influence.	ICD Taken & refunded	110.00	NIL
4.	Satyatara Chhibbar Adv. Pvt. Ltd.	..	ICD refunded	100.00	NIL
5	Bahula Resources Ltd.	..	ICD taken and refunded	50.00	NIL

6. Lease:

The Company has leased its RLHG/LPG Bottling Plant in the WBIIDC 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 aforesaid Lease is now of in the process of renewal for a further period of 3 years up to 31.03.2013 subject to finalization of terms & condition and both the parties agreeing to the same. 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.

7. Earning Per Share:

		2009-10	2008-09
(i)	Profit after tax (Rupees)	3,517,835	2,614,622
(ii)	Weighted Average No. of Equity Shares of Rs. 10 each Face Value	12,500,000	8,000,000
(iii)	Face value per Equity Share	Rs. 10/-	Rs. 10/-
(iv)	Earnings Per Share (Rs.)	0.28	0.33

ASHIRWAD STEELS & INDUSTRIES LTD.

8. Deferred Tax Liability/(Asset) : Income Tax

		Deferred tax Liability as at 01.04.09 (Rs.)	Current year charge/(Credit) (Rs.)	Deferred tax Liability as at 31.03.10 (Rs.)
(i)	Due to difference in Book and tax depreciation Rates.	2,82,39,427	(1,82,999)	2,80,56,428

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. 182,999/- for the year has been recognized in the Profit & Loss Account for the year.

9. 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.

10. Managing Director's Remuneration for the year is Rs.1,80,000/- (Previous year Rs.1,80,000/-)

11. Contingent Liabilities:

a) Bank Guarantees issued by the Citi Bank in favour of Third Parties on behalf of the company amount to Rs.1,11,02,997/- counter guaranteed by the company Rs. 1,11,02,997/- (previous year Rs 12,384,466/-). These Bank guaranteed are covered by charge created in favour of the Bankers by way of lien on Fixed Deposits held with the said bank.

b) Claims not acknowledged by company are relating to the following areas:

		2009-10 (Rs.)	2008-09 (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

12. The debtors and creditors balances are subject to confirmation by the parties.

13. Raw material consumption includes only consumption of indigenous raw materials.

14. C.I.F. Value of imports, and earning in foreign exchange Rs. Nil (previous year Rs. Nil)

	Year	Year
15. Expenditure in Foreign Currencies:	2009-10 (Rs.)	2008-09 (Rs.)
Travel Expenses	162,256/-	399,440/-

ASHIRWAD STEELS & INDUSTRIES LTD.

16. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance payment) Rs.325,457/- (Previous year Rs.NIL)
17. 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, 2010.
18. 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 Rs10, 000/- (Previous year Rs.10,000/-)
19. Based on market value of the Company's investments as on 31.3.2010, there was no demuntion in value of shares and hence no provision for the same has been made in the accounts.
20. Previous year's figures have been re-grouped and re-classified wherever necessary to conform to current year's classifications.

Signature to Schedules 1 to 19

As per our attached report of even date.

☞

For **A Pradhan & Associates**

Chartered Accountants

Place: Kolkata

A .Pradhan

Dated: 31st May, 2010

Proprietor

Membership No: 053543

PURANMAL AGARWAL : **Chairman**

DALBIR CHHIBBAR : **Managing Director**

YUDHBIR CHHIBBAR : **Director**

ASHIRWAD STEELS & INDUSTRIES LTD.

PART - IV BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details											State Code	2	1						
Registration No.	0	4	0	2	0	1													
Balance Sheet Date	3	1	0	3	1	0													
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 & Deployment of funds (Amount in Rs. Thousands)																			
Total Liabilities	5	9	4	0	0	3	Total Assets	5	9	4	0	0	3						
Sources of Funds																			
Paid-up Capital	1	2	5	0	0	0	Reserves & Surplus	4	0	1	5	1	9						
Secured Loans						N	I	L	Unsecured Loans						N	I	L		
Application of Funds																			
Net Fixed Assets	1	3	5	9	1	4	Investments	1	5	3	8	4							
Net Current Assets	3	7	5	2	2	1	Misc. Expenditure						N	I	L				
Accumulated Losses						N	I	L											
IV. Performance of the Company (Amount in Rs. Thousands)																			
Turnover	4	8	9	6	9	8	Total Expenditure	4	8	3	3	7	8						
Profit/Loss Before Tax						6	3	2	0	Profit/Loss after Tax						3	5	1	8
Earning per share in Rs.						0	2	8	Dividend Rate %						N	I	L		
V. Generic Names of the Principal Products/Services of 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						DALBIR CHHIBBAR						YUDHBIR CHHIBBAR							
Chairman						Managing Director						Director							

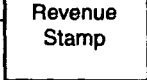
ASHIRWAD STEELS & INDUSTRIES' LIMITED

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

I/We.....of.....
.....being a member / members
.....of.....
.....or failing him/her.....of.....

as my / our proxy to vote for me/us or my/our behalf at the 24th Annual General Meeting of the Company to be held on Monday the 20th September, 2010 at 10.30 a.m. at 6, Waterloo Street, Suite No. 506, Kolkata - 700 069 and at any adjournment thereof.

Signed this.....day of.....2010

Signature.....


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 24th Annual General Meeting of the above Company on Monday, the 20th September, 2010.

* 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

Phone : (033) 2235 7270 / 71

Fax : (033) 2215 6823