

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, Director

STATUTORY AUDITORS

A Pradhan & Associates
Chartered Accountants,
28B, Kalidas Patitundi Lane, Kolkata-700 026.

BANKERS

CITIBANK, N.A., Kolkata
HDFC Bank Ltd., Kolkata, Nalgonda (A.P.) and Jamshedpur (JH)
State Bank of India, Jamshedpur and Nalgonda(A.P.)
Corporation Bank, Raigarh, Chhattisgarh.
ING Vysya Bank, Kolkata

REGISTERED & HEAD OFFICE

6, Waterloo Street,
5th Floor, Suite No.506,
Kolkata - 700 069, West Bengal
Phone: 091-033-22430372
Telefax : 091-033-22430376
E-mail: ashirwadsteels@gmail.com

WORKS

SPONGE IRON PLANTS :

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
Telefax : 091-08682-274691.

LPG BOTTLING PLANTS :

1. Uluberia Industrial Growth Centre,
Uluberia, Howrah, West Bengal, Pin-711315.
Phone : 091-033-26610714
2. 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 27th 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 23rd September, 2013 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, 2013 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. Dev Kumar Mishra, Mrs. Sushma Chhibbar and Mr. Ashok Kumar Jaiswal 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 : 30th May, 2013

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.

ASHIRWAD STEELS & INDUSTRIES LTD.

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 Monday, the 16th September, 2013 to 23rd September, 2013 (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 : 30th May, 2013

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.

ASHIRWAD STEELS & INDUSTRIES LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their 27th Annual Report and the Audited Statements of Accounts of your Company together with Auditors' Report for the year ended 31st March, 2013.

	Current year (31.03.2013) Rs.	Previous year [31.03.2012] Rs.
FINANCIAL RESULTS :		
Turnover/Income from Operations(gross)	60,20,22,587	70,83,24,759
Less: Excise duty	5,88,63,222	5,79,55,938
Profit/(Loss)before exceptional and Extra-ordinary items and taxes	82,18,060	(3,75,71,215)
Profit/(Loss) before taxation	82,18,060	(3,75,71,215)
Tax Expenses :		
Current Income Tax	15,66,000	—
Fringe Benefit for earlier period	6,309	—
Deferred Income Tax (Assets)	13,42,987	11,38,359
Profit/(Loss) after Taxation	79,88,738	(3,64,32,856)

OPERATIONS & FINANCIAL PERFORMANCE :

The operational performance of the Company during the year has not been satisfactory. The Company's Sponge Iron Plant located at Jamshedpur was closed down on 1.9.2012 due to non-supply of coal by Central Coalfields Ltd., since March, 2011, exclusively due to their faults and lapses and the Company has taken necessary legal action against them in the Hon'ble High Court at Ranchi and the Writ Petition is under hearing. The availability of iron ore to produce Sponge Iron is extremely limited and their prices are also ruling very high and unaffordable as most of the mines in Orissa and Karnataka continue to be closed. The operations at Company's Sponge Iron Plant at Nalgonda have also suffered due to limited supply of coal by the Coal Company, continuous closure of iron ore mines in Karnataka and extreme shortage of power/electricity. The cost of other expenses including diesel had also gone up whereas due to suppressed demand for long steel products on account of slow down in the house-building sector and lower spending by the Government on infra-structure development; resulted in lower/unremunerative selling prices. During the year under review your Company produced 27081 M.T. of Sponge Iron (previous year 33065 M.T.). The gross turn over of the Company/income from operations stood at Rs.6020.23 lacs (previous year Rs.7083.25 lacs). The net result of the year is a profit of Rs.79.89 lacs (previous year net loss of Rs.364.32 lacs).

ASHIRWAD STEELS & INDUSTRIES LTD.

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.

DIRECTORS :

Mr. Dev Kumar Mishra, Mrs. Sushma Chhibbar and Mr. Ashok Kumar Jaiswal, Directors retire by rotation from the Board and being eligible offer themselves for re-appointment.

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 2012-2013 to the Stock Exchange, Mumbai, on which Company's shares are listed. The Company has also paid custodial fees for the year 2012-2013 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.

ASHIRWAD STEELS & INDUSTRIES LTD.

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) 2215-6823, E-mail nichetechpl@nichetechpl

DEPOSITORY DETAILS :

1. Central Depository Services (India) Ltd., P.J.Towers (17th floor), Dalal Street, Mumbai-400023, Phone: (022) 2272-3333 / 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) 2497-2993.

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 for physical share certificates is 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 EXPENSES : Earnings : Nil(Previous Year: Nil)
Expenses : Rs.4,45,706/- (Previous Year : Nil)

ASHIRWAD STEELS & INDUSTRIES LTD.

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, 2013, 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, 2013 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 : 30th May, 2013.

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 :

		Figures for Current Reporting Period	Figures for previous Reporting Period
1. Electricity :			
(a) Purchased			
Units	20,61,197	34,89,555	
Total amount (Rupees)	1,23,62,338	1,63,76,717	
Rate/Unit (Rupees)	6.00	4.69	
(b) Own generation (D.G.Set)			
Units	214096	233810	
Cost/Unit	30.25	22.43	

ASHIRWAD STEELS & INDUSTRIES LTD.**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	NIL	31.88
(ii)	Units consumed per Metric Ton of Sponge Iron produced	76.11	105.36

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 : 30th May, 2013.

For and on behalf of the Board

Dalbir Chhibbar
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(For the Financial Year ended 31st March, 2013)

(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 due to poor or non-availability of coal and iron ore, the basic raw materials and depressed market conditions have adversely affected 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 consumption of Sponge Iron is directly linked with the consumption of long steel products namely, TMT Bars, Angles, Channels and Beams. Slow-down of house-building sector and lower spending by the Government on the infra-structure; has resulted in lower demand for the above products. The present trend is not likely to change in the immediate future and hence there are very little opportunities available to your Company in it's traditional field of Sponge Iron.

ii. Threats :

The iron ore and coal are the two major raw materials for the production of Sponge Iron. The availability of Iron ore in the last two years has been severely affected due to closure of iron ore mines in Orissa and Karnataka under the direction of Hon'ble Supreme Court of India and various other Government Agencies and Departments. This status of iron ore is continuing and it is extremely scarce and its prices are ruling extremely high and most unaffordable. The Coal India Ltd. had w.e.f. 1.3.2011 most unjustifiedly and arbitrarily increased the prices of 'B' Grade coal by almost 130% making the operations of the Company's Jamshedpur Sponge Iron Plant unviable. The Company had requested Central Coalfields Ltd./Coal India Ltd. and Ministry of Coal to lower the grade of coal from B/C grade to D/E/F grade. Upon not getting the requisite consent from them, the Company had moved to the Hon'ble High Court at Ranchi, for redressal and to get justice and relief and the Hon'ble High Court had directed the CCL to do the requisite but till date CCL/CIL has done nothing on that account and the entire matter is sub-judice. Under the current circumstances, those Sponge Iron Plants in the country which do not have their own captive iron ore and coal mines will be unable to operate profitably unless the prices of these inputs go down sharply from their current highly elevated levels or unless there is a suitable increase in the market 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 &

ASHIRWAD STEELS & INDUSTRIES LTD.

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.

(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.60.20 crores as compared to Rs.70.83 crores in the previous year. The operating profit before interest, depreciation and taxation stands at Rs.82.18 lacs compared to loss of Rs.375.71 lacs in the previous year. The Company has earned a post-tax net profit of Rs.79.88 lacs as compared to a net loss of Rs.364.32 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.

ASHIRWAD STEELS & INDUSTRIES LTD.

REPORT ON CORPORATE GOVERNANCE

(For the year ended 31st March, 2013)

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, 2013 the Board of Directors consist of a non-executive Chairman, a Managing Director, One Executive Director, three non-executive Directors and two 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	17	Nil	Nil	4750
Dalbir Chhibbar	Managing Director(executive)	3	Nil	Nil	108725
Yudhbir Chhibbar	Non-executive	1	Nil	Nil	3000
Suresh Kr. Agarwal	-do-	13	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

ASHIRWAD STEELS & INDUSTRIES LTD.

(c) Board Meetings held during the year :

During the year the Board of Director's Meetings were held on eleven occasions e.g. on 15th May, 2012, 18th June, 2012, 29th June, 2012, 3rd August, 2012, 10th August, 2012, thrice on 9th October, 2012, 12th November, 2012, 11th February, 2013 and 22nd February, 2013.

(d) Attendance of Directors at the Board Meetings held during the year 2012-2013 and at the last Annual General Meeting (AGM)

	Name of Directors	No. of Board Meetings		Attended last AGM on 24.9.12
		Held	Attended	
1.	Puranmal Agarwal	11	11	Yes
2.	Dalbir Chhibbar	11	11	Yes
3.	Yudhbir Chhibbar	11	3	Yes
4.	Suresh Kr. Agarwal	11	11	No
5.	Ashok Kumar Jaiswal	11	5	No
6.	Pravin Kumar Chhabra	11	8	Yes
7.	Sushma Chhibbar	11	7	Yes
8.	Dev Kumar Mishra	11	Nil	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.

ASHIRWAD STEELS & INDUSTRIES LTD.

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 2012 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, 2013

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

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 31.3.2013.

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.

ASHIRWAD STEELS & INDUSTRIES LTD.

7. General Body Meeting :

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

AGM	Financial Year	Date	Time	Place
24th	2009-2010	20.9.10	10.30 AM	6, Waterloo Street, 5 th Floor, Suite No.506, Kolkata – 700 069. (Registered Office).
25th	2010-2011	19.9.11	10.30 AM	6, Waterloo Street, 5 th floor, Suite No.506, Kolkata-700 069. (Registered Office)
26 th	2011-2012	24.9.12	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.

NOTE 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/Business Standard (English)
- (ii) Kalantar (Bengali)

(b) At present, the Company is in the process of developing a 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 27th Annual General Meeting of your Company will be held on Monday, the 23rd September, 2013, at its Registered Office at 6, Waterloo Street, 5th floor, Suite No.506, Kolkata-700 069 at 10.30 a.m.

ASHIRWAD STEELS & INDUSTRIES LTD.

(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, 2013

Category of share holder	No. of Equity Shares held	% of Shares held
(A) Promoter's Holding	4928091	39.42
(B) Non Promoter's Holding		
Institutional Investors	208700	1.67
Private Corporate Bodies	5865609	46.92
Indian Public	1343911	10.75
NRIs/OCBs	150144	1.21
Others	3545	0.03
Total	<u>12500000</u>	<u>100%</u>

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

(k) Distribution of Shareholding as on 31st March, 2013 :-

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	2844	87.6425	3,87,326	3.0986
501- 1,000	147	4.5300	1,20,663	0.9653
1,001- 5,000	153	4.7149	3,31,070	2.6486
5,001- 10,000	24	0.7396	1,92,366	1.5389
10,001- 50,000	35	1.0786	9,32,895	7.4632
50,001- 1,00,000	12	0.3698	8,57,644	6.8612
1,00,001- and Above	30	0.9245	96,78,036	77.4243
Total	<u>3245</u>	<u>100.0000</u>	<u>1,25,00,000</u>	<u>100.0000</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

(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; 10486262 number of shares (83.89%) have been dematerialized as on 31.03.2013.

(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. 091-033-2243 0372
Telefax : 091-033-2243 0376
E-mail : ashirwadsteels@gmail.com

(o)

Sponge Iron Plants

Plant Locations :

- 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.

Place : Kolkata
Dated : 30th May, 2013.
Regd. Office : 6, Waterloo Street,
Room No. 506, 5th floor,
Kolkata – 700 069.

For and on behalf of the Board

Dalbir Chhibbar
Managing Director

ASHIRWAD STEELS & INDUSTRIES LTD.

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, 2013 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, 2013, 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.

Place : Kolkata
Dated : 30th May, 2013.

For A Pradhan & Associates
Chartered Accountants

A. Pradhan
Partner
Membership No. 53543

ASHIRWAD STEELS & INDUSTRIES LTD.

To the Members of Ashirwad Steels & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ashirwad Steels & Industries Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

ASHIRWAD STEELS & INDUSTRIES LTD.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

Forming an Opinion and Reporting on Financial Statements

For **A.PRADHAN & ASSOCIATES**
Chartered Accountants
Firm's Regd. No. 325131E

A. Pradhan
Proprietor
Membership Number : 053543

Place of Signature : Kolkata
Date : 30th May 2013

ASHIRWAD STEELS & INDUSTRIES LTD.

Annexure to the Auditors' Report.

Referred to in Paragraph 1 of the 'Report on other Legal & Regulatory Requirements' of our report of even date on the accounts of **Ashirwad Steels & Industries Ltd.** for the year ended March 31, 2013:

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 not taken any loan from companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (d) In our opinion, the requirement of clause (iii) f and (iii) g of the order is not applicable as the company has not taken any such loan which is covered under section 301 of the Act.

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 referred to in section 301 of the Act have been entered in the said register .

(b) During the year the company has purchased raw material from a company under the same management exceeding the value of five lakhs rupees at cost price and the same was reasonable.
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 thereunder.
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 except as stated in Notes on Accounts – Clause No.31

ASHIRWAD STEELS & INDUSTRIES LTD.

(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:

Particulars	Disputed Amount (Rs.)	Forum where dispute is pending in appeal as on 31.03.2013
i) VAT Tax on Coal purchase (Net of payment)	15,08,910	Appellate Dy. Commissioner (CT), Hyderabad Rural Division.
ii) Income Tax for: Asst. Yr. 2003-04 Asst. Yr. 2008-09 Asst. Yr. 2010-11	2,43,395 1,49,196 8,00,230	C.I.T. (Appeals)-C-III, Kolkata. C.I.T. (Appeals)-C-III, Kolkata. C.I.T. (Appeals)-C-III, Kolkata.
iii) CENVAT on Capital Goods(Net of payment)	12,14,662	Commissioner of Customs, Central Excise and Service Tax (Appeals III), Hyderabad.

10. The Company does not have any accumulated past losses at the end of the financial year under review and has not incurred cash loss in the current financial year. However there was 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 defaulted in repayment of dues to banks or any financial institutions. The company has not accepted any fund on account of issue 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 timely entries have been made therein. The investments made by the Company are held in its own name.

ASHIRWAD STEELS & INDUSTRIES LTD.

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 for any long term investments.
18. During the year the company has not made any preferential allotment of shares.
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 issue 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
Firm Regd. No:325131E

Place: 28B, K. P. Lane,
Kolkata – 700026.

Date: 30th May 2013

A. PRADHAN
(Proprietor)
Membership No: 053543

ASHIRWAD STEELS & INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES :			
1) Shareholders' Funds			
(a) Share Capital	1	125,000,000	125,000,000
(b) Reserves and Surplus	2	378,169,840	369,379,889
Sub Total - Shareholders' Funds		503,169,840	494,379,889
(2) Non-current Liabilities			
(a) Long-term borrowings	3	—	1,303,667
(b) Deferred tax liabilities(Net)	29	24,803,607	26,146,594
(c) Other Long Term liabilities	4	1,957,385	2,205,980
(d) Long Term provisions	5	2,237,444	2,106,280
Sub Total - Non-current Liabilities		28,998,436	31,762,521
(3) Current Liabilities			
(a) Short-term borrowings	6	—	54,311,647
(b) Trade Payables	7	16,761,128	14,604,059
(c) Other current liabilities	8	9,742,087	25,642,732
(d) Short-term provisions	9	1,572,309	4,479,673
Sub Total - Current Liabilities		28,075,524	99,038,111
TOTAL :		560,243,800	625,180,521
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	111,689,533	121,416,845
(b) Non-current Investment	11	44,929,020	44,929,020
(c) Long-term loans and advances	12	29,660,110	33,061,919
Sub Total - Non-current Assets		186,278,663	199,407,784
(2) Current Assets			
(a) Inventories	13	51,784,995	106,656,049
(b) Trade Receivables	14	16,165,342	26,216,818
(c) Cash and Cash Equivalents	15	168,218,916	164,416,829
(d) Short-term loans and advances	16	128,028,813	120,623,949
(e) Other current assets	17	9,767,071	7,859,092
Sub Total - Current Assets		373,965,137	425,772,737
TOTAL :		560,243,800	625,180,521

See accompanying notes forming part of the financial statements.

As per our attached report of even date

PURANMAL AGARWAL : **Chairman**

For **A PRADHAN & ASSOCIATES**
Chartered Accountants

DALBIR CHHIBBAR : **Managing Director**

Place : Kolkata

A. Pradhan

YUDHBIR CHHIBBAR : **Director**

Dated : 30th May 2013

Proprietor

Membership No. 053543

ASHIRWAD STEELS & INDUSTRIES LTD.**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

	PARTICULARS	Note No.	Figures for the current reporting Period	Figures for the previous reporting Period
I.	Revenue from Operations	18	520,247,632	632,233,202
II.	Other Income	19	22,911,733	18,135,616
III.	Total Revenue (I+II)		543,159,365	650,368,818
IV.	Expenses :			
(a)	Cost of materials consumed	20	444,009,567	560,325,343
(b)	Purchases of Trading goods	41(i)(e)	—	10,694,902
(c)	Changes in inventories of finished goods, Work-in-Progress & Stock-in-Trade	21	3,814,822	(6,298,028)
(d)	Employee Benefits Expense	22	9,396,027	9,712,236
(e)	Finance Costs	23	5,482,034	2,804,498
(f)	Depreciation and amortization expenses	24	11,252,447	11,163,846
(g)	Other Expenses	25	60,986,408	99,537,236
			534,941,305	687,940,033
V.	Profit before exceptional and extra-ordinary items and tax		8,218,060	(37,571,215)
VI.	Exceptional items		—	—
VII.	Profit before extra ordinary items and tax (V-VI)		8,218,060	(37,571,215)
VIII.	Extra ordinary items		—	—
IX.	Profit before tax (VII-VIII)		8,218,060	(37,571,215)
X.	Tax Expense :			
1.	Current Tax(MAT)		1,566,000	—
2.	Deferred Tax Liability/(Asset)		(1,342,987)	1,138,359
3.	Fringe Benefit Tax for earlier year		6,309	—
XI.	Profit/(Loss)for the period after tax		7,988,738	(36,432,856)
XII.	Earnings/(Loss) per Equity Share(Basic & Diluted)		0.64	(2.91)

See accompanying notes forming part of the financial statements.

As per our attached report of even date

PURANMAL AGARWAL : **Chairman**

For **A PRADHAN & ASSOCIATES**
Chartered Accountants

DALBIR CHHIBBAR : **Managing Director**

Place : Kolkata

A. Pradhan

YUDHBIR CHHIBBAR : **Director**

Dated : 30th May 2013

Proprietor

Membership No. 053543

ASHIRWAD STEELS & INDUSTRIES LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Figures for Current Reporting Period	Figures for Previous Reporting Period
A Cash flow from operating activities		
Net Profit before operating activities	8,218,060	(37,571,215)
Adjustment for :		
1. Depreciation	11,252,447	11,163,846
2. Interest (Net)	(16,809,135)	(14,823,942)
3. Short Term Capital Loss on Investment	—	(466,857)
4. Sundry Credit Balance W/back	(82,123)	(24,069)
5. Lease Rent	(148,656)	—
6. Profit on sale of Investment/Derivative Income	—	17,890,363
7. Dividend Income	—	(16,250)
8. Gratuity Provision(Unfunded)	—	218,536
9. Bad Debts Written off	—	550,000
Operating Profit before working Capital changes	2,430,593	(23,079,588)
Adjustment for :		
1. Trade and other receivables	50,624,515	(1,163,617)
2. Inventories	54,871,054	83,181,946
3. Trade payables	(13,992,171)	23,273,551
Cash generated from operations	93,933,991	82,212,292
Direct Tax Paid including FBT	—	—
Net cash from operating activities	93,933,991	82,212,292
B Cash flow from Investing Activities		
1. Purchase of Fixed Assets	(1,525,135)	(2,239,875)
2. Sale of Fixed Assets	—	—
3. Interest Received	19,718,076	16,850,344
4. Dividend Received	—	16,250
5. Investment (Net)	—	5,415,090
6. Profit on Derivatives & speculation in shares	—	(17,890,363)
7. Movement in Loans(Given)	—	(29,535,083)
Net cash from investing Activities	(18,192,941)	(27,383,637)
C Cash flow from Financing Activities		
1. Loan (Net)	(103,115,314)	53,007,977
2. Interest paid	(5,209,531)	(2,804,498)
Net Cash from financing activities	(108,324,845)	50,203,479
Net increase/decrease in cash & cash equivalents (A+B+C)	3,802,087	105,032,134
Cash & cash equivalents (Opening Balance)	164,416,829	59,384,695
Cash & cash equivalents (Closing Balance)	168,218,916	164,416,829

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 2013 and found the same in agreement therewith and also with the requirement of clause 32 of the listing agreement with stock exchange.

For **A PRADHAN & ASSOCIATES**

Chartered Accountants

A. Pradhan

Proprietor

Membership No. 053543

Place : Kolkata

Dated : 30th May, 2013

ASHIRWAD STEELS & INDUSTRIES LTD.

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.

ASHIRWAD STEELS & INDUSTRIES LTD.

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, which is at present the unfunded plan of the company.

(vii) Sales:

Sales are inclusive of VAT 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.

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Share Capital :	Year ended March 31, 2013		Year ended March 31, 2012	
	Number	Rs.	Number	Rs.
(a) Authorised :				
Equity Shares of Rs.10/- each	12500000	<u>125,000,000</u>	12500000	<u>125,000,000</u>
(b) Issued, subscribed and fully paid :				
Equity Shares of Rs.10/- each at par.	12500000	<u>125,000,000</u>	12500000	<u>125,000,000</u>
(c) Par value per Equity Share Rs.10/- each				
(d) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting paid :				
outstanding as at the beginning of the year	12500000	12,500,000	12500000	12,500,000
outstanding as at the end of the year	12500000	12,500,000	12500000	12,500,000
(e) The entire Share Capital comprises of Equity Shares, and the shareholders have equal rights in respect of distribution of dividends and the repayment of capital.				
(f) The company is neither a holding company nor a subsidiary company.				
(g) Shares in the company held by each shareholders holding more than 5 percent shares :				
Names of Shareholder	Number of Shares held		Number of Shares held	
Meghdoot Vyapar (P) Ltd.	1350000		1350000	
Chhibbar Business & Fiscals Pvt. Ltd.	1539145		1071045	
(h) There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.				
(i) For the period of 5 years immediately preceding the date as at which the Balance Sheet is prepared.				
- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	NIL		NIL	
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	NIL		NIL	
- Aggregate number and class of shares bought back.	NIL		NIL	
(j) There were no securities issued having a term for conversion into equity/preference shares.				
(k) There are no calls unpaid in respect of Equity Shares issued by the company.				
(l) There are no forfeited shares by the company.				
(m) Terms/Rights attached to Equity Shares				
The Company has only one class of equity shares having a per value of Rs.10 per share. Each holder of equity share is entitled to one vote per share and ranks pari pasu.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after settlement of all outside liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.				

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
2. Reserves & Surplus :		
i) Securities Premium Account :		
- Premium on issue of Equity Shares	292,344,000	292,344,000
ii) General Reserve	75,000,000	75,000,000
iii) Profit and Loss Account:		
Balance b/f	2,035,889	34,758,280
Add : Profit/(Loss) after Tax	7,988,738	(36,432,856)
Add : Excess Income tax Provision written Back.	801,213	3,710,465
	<u>10,825,840</u>	<u>2,035,889</u>
	<u>378,169,840</u>	<u>369,379,889</u>
3. Long Term Borrowings :		
Deferred Payment Liabilities :		
Deferred CST Liability	—	746,627
Deferred VAT Liability	—	557,040
4. Other Long-Term Liabilities :		
Others :		
Security and other Deposits	1,957,385	2,205,980
	<u>1,957,385</u>	<u>2,205,980</u>
5. Long Term Provisions :		
Provision for Staff Gratuity		
Balance b/d	2,106,280	1,765,329
Add : For the year	131,164	340,951
	<u>2,237,444</u>	<u>2,106,280</u>
6. Short Term Borrowings :		
Other loans and advances :		
Bank Overdraft(Against Fixed Deposit)	—	54,311,647
	—	<u>54,311,647</u>
7. Trade Payables - Current Liability :		
Creditors for Raw Materials	16,761,128	14,604,059
8. Other Current Liabilities :		
Other Payables		
ESI Employer's contribution	5,190	11,429
Provident Fund, Adm. Charges etc.	43,360	52,972
Tax Deducted at Source	63,306	38,740
VAT payable	510,562	556,075
Creditors for Expenses	8,780,038	17,289,269
Creditors for Capital Goods	—	1,677,917
Advance from Customers	77,947	5,390,420
Sales Tax(CST) Payable	149,726	621,572
Profession Tax Payable	5,040	—
Service Tax Payable	100,270	—
Welfare Cess Payable	6,648	4,338
	<u>9,742,087</u>	<u>25,642,732</u>
9. Short Term Provisions :		
Provision for Income Tax(MAT)	1,566,000	4,479,673
Provision for Fringe Benefit Tax	6,309	—
	<u>1,572,309</u>	<u>4,479,673</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

Notes No. 10 : FIXED ASSETS											
(Amount in Rupees)											
NAME OF THE FIXED ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	OPENING AS ON 01.04.12	ADDITION DURING THE YEAR	ADJUSTMENT/ DEDUCTION	BALANCE AS ON 31.03.13	UPTO 31.03.12	DURING THE YEAR	ADJUSTMENT/ DEDUCTION	UPTO 31.03.13	AS ON 31.03.13	AS ON 31.03.12	
<u>TANGIBLE ASSETS</u>											
LAND (Free Hold)	1328675	—	—	1328675	—	—	—	—	1328675	1328675	
LAND (Lease Hold)	5253804	—	—	5253804	494555	49953	—	544508	4709296	4759249	
BUILDINGS	18731740	—	—	18731740	6421758	618544	—	7040302	11691438	12309982	
PLANT & EQUIPMENT	18400062	1393570	—	185393632	87044070	9559130	—	96603200	88790432	96955992	
OFFICE EQUIPMENT	2040354	100250	—	2140604	1155237	87684	—	1242921	897683	885117	
FURNITURE & FIXTURES	330855	31315	—	362170	156085	20689	—	176774	185396	174770	
MOTOR VEHICLES	9873626	—	—	9873626	4870566	916447	—	5787013	4086613	5003060	
TOTAL	22155116	1525135	—	223084251	10014271	1125247	—	111394718	111683533	121416845	
PREVIOUS YEAR	219319240	228875	—	221559115	8897824	11163946	—	100142270	121416845	130340816	

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
11. Non-current Investments (At cost) :		
Trade Investments:		
(a) Investments in Equity Instruments fully paid up(Quoted)		
Names of bodies corporate	Amount	Amount
3500 Equity shares of Navketan Merchants Ltd.	13,020	13,020
20000 Equity shares of Goutam Resources Ltd.	196,400	196,400
20000 Equity shares of Herald Commerce Ltd.	379,600	379,600
	<u>589,020</u>	<u>589,020</u>
None of the above companies are subsidiaries or associates or joint ventures or controlled special purpose entities.		
(b) Investment in Equity Instruments fully paid up (Unquoted) in associated company		
Names of bodies corporate		
870000 Equity Shares of Rs.10/- each of Chandil Industries Ltd.	<u>4,340,000</u>	<u>4,340,000</u>
(c) Investments in Preference Shares (unquoted, fully paid up) In associated company		
400000 Preference Shares of Rs.100/- each of Chandil Industries Ltd.	40,000,000	40,000,000
	<u>44,929,020</u>	<u>44,929,020</u>
12. Long Term Loans and Advances :		
(a) Capital Advances	—	2,500,000
(b) Security Deposits with Govt. Departments	3,612,423	2,933,469
(c) Security Deposits with Others	6,631,200	4,145,200
(d) Other Loans and Advances :		
Advance Income Tax	—	2,171,008
Advance to Suppliers	11,430,107	11,430,107
VAT Advance against disputed tax	—	1,508,911
CENVAT Advance against disputed tax	—	1,260,872
Income Tax Deducted at Source	2,381,479	6,643,637
Income Tax Refundable	5,604,901	468,715
	<u>19,416,487</u>	<u>23,483,250</u>
	<u>29,660,110</u>	<u>33,061,919</u>
Long Term Loans & Advances Classification :		
Secured, considered good	9,228,423	6,033,469
Unsecured, considered good	20,431,687	27,028,450
Doubtful	—	—
	<u>29,660,110</u>	<u>33,061,919</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
13. Inventories :		
(a) Raw Materials	32,174,665	77,048,376
(b) Goods in transit(Raw Material)	2,960,053	8,956,544
(c) Work-in-Progress(Sponge Iron)	199,155	302,644
(d) Finished goods	12,887,878	16,599,211
(e) Stores and Spares	2,287,072	2,335,857
(f) Others:		
Fuel(Diesel Oil)	52,968	190,213
Iron Ore Fines(usable/scrap)	1,223,204	1,223,204
	51,784,995	106,656,049
14. Trade Receivables :		
(i) Outstanding for a period exceeding six months from the due date for payment	143,167	1,110,638
(ii) Outstanding for a period less than six month from the due date for payment	16,022,175	25,106,180
	16,165,342	26,216,818
(iii) Trade Receivables classification :		
Secured, considered good	—	—
Unsecured, considered good	16,165,342	26,216,818
Doubtful	—	—
	16,165,342	26,216,818
(iv) Allowance to be made for doubtful debt is not necessary.		
(v) There are no debts due by directors or other officers of the company either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.		
15. Cash and Bank Balances :		
Cash and Cash Equivalents		
Cash in hand	2,512,009	1,973,557
Balances with Banks :		
- In Current Accounts	17,707,629	7,027,186
- In Fixed Deposit Accounts (with less than 3 months maturity)	—	—
Others		
Balances with Banks :	147,999,278	155,416,086
- In Deposit Accounts [see note (a), (b) & (c)]	168,218,916	164,416,829
	168,218,916	164,416,829
(a) Balances with banks includes deposits under lien of Rs. 53,86,594(Previous Year Rs. 113,38,862) against bank guarantees.		
(b) Balances with banks in deposit accounts include deposits under lien of Rs.10,78,12,683(previous year Rs. 850,00,000/-)to the HDFC Bank for security against overdraft facility provided by the said bank.		
(c) Balances with banks include deposits of Rs. 14,79,99,278(previous year Rs. 15,54,16,086/-) having original maturity of 12 months or more.		

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
16. Short-Term Loans and Advances :		
(a) Advance to related parties :		
Advance to a Director	229,474	—
(b) Others:		
Loans to a Body Corporate	107,500,000	60,000,000
Capital Advance	—	150,000
Advance to Employees	14,500	107,000
Advance to Suppliers	19,569,901	55,561,794
Advance for Expenses	282,842	3,722,017
Balances with Central Excise & VAT Authorities	432,096	1,083,138
	127,799,339	120,623,949
	128,028,813	120,623,949
	<u>128,028,813</u>	<u>120,623,949</u>
Short Term Loans & Advances Classification :		
Secured, considered good	—	—
Unsecured, considered good	125,335,509	117,930,645
Doubtful	2,693,304	2,693,304
	128,028,813	120,623,949
	<u>128,028,813</u>	<u>120,623,949</u>
17. Other Current Assets :		
(a) Interest accrued on Bank Fixed Deposits	9,503,052	7,676,702
(b) Interest accrued on Security Deposit for Electricity	264,019	182,390
	9,767,071	7,859,092
	<u>9,767,071</u>	<u>7,859,092</u>
18. Revenue from operation consist of the following :		
(a) Sale of Products	557,660,846	657,568,779
(b) Sale of Services	—	279,459
(c) Other operating revenues :		
- Sale of scrap coal fines, Kiln dust & char coal	14,835,008	26,040,902
Lease Rent	6,615,000	6,300,000
	579,110,854	690,189,140
Less :		
(d) Excise Duty	58,863,222	57,955,938
	520,247,632	632,233,202
	<u>520,247,632</u>	<u>632,233,202</u>
19. Other Income is classified as under :		
(a) Interest Income		
(i) Interest on Bank Fixed Deposit	13,864,951	9,990,318
(ii) Interest on Security Deposit	302,208	207,040
(iii) Interest on Loans given	7,932,396	7,288,643
(iv) Interest on Debenture	—	142,439
	22,099,555	17,628,440
(b) Dividend Income	—	16,250
(c) Net capital gain/loss on sale of investments	—	466,857
(d) Other non-operating income(net of expenses directly attributable to such income) :		
(i) Sundry Credit Balance written back	82,123	24,069
(ii) Bad Debt Recovery A/C	730,055	—
	812,178	24,069
	22,911,733	18,135,616
	<u>22,911,733</u>	<u>18,135,616</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013		Year ended March 31, 2012	
20. Cost of materials consumed :				
(a) Iron Ore		218,983,462		278,582,366
(b) Iron Ore Pellet		43,423,521		57,320,468
(c) Coal		179,562,397		221,354,369
(d) Dolomite		2,040,187		3,068,140
		<u>444,009,567</u>		<u>560,325,343</u>
21. Changes in Inventories :				
Opening Stock :				
(a) Finished goods(Sponge Iron)	16,599,211		10,104,962	
(b) Work-in-Progress(Sponge Iron)	302,644		393,825	
(c) Iron ore Fines(Unusuable/scrap)	1,223,204		1,223,204	
(d) Stock-in-Trade(LP Gas)	—	18,125,059	105,040	11,827,031
		<u>18,125,059</u>		
Less : Closing Stock :				
(a) Finished goods(Sponge Iron)	12,887,878		16,599,211	
(b) Work-in-Progress(Sponge Iron)	199,155		302,644	
(c) Iron ore Fines(Unusuable/scrap)	1,223,204		1,223,204	
(d) Stock-in-Trade (LP Gas)	—	14,310,237	—	18,125,059
		<u>14,310,237</u>		
(Increase)/Decrease in Inventory		<u>3,814,822</u>		<u>(6,298,028)</u>
22. Employee Benefits Expenses :				
(a) Salaries and Wages		7,345,475		7,888,908
(b) Contribution to Provident Fund, ESI etc.		671,420		739,502
(c) Staff Welfare Expenses		1,065,349		1,083,826
(d) Gratuity Paid		313,783		—
		<u>9,396,027</u>		<u>9,712,236</u>
23. Details of Finance Cost				
(a) Interest :				
Interest on Bank Loans/Overdraft	4,379,850		2,701,050	
Interest on Unsecured Loans	808,889		—	
Interest & Penalty Charges	101,681	5,290,420	103,448	2,804,498
		<u>5,290,420</u>		
(b) Other borrowing cost :				
Loan Facilitation Charges (Renewal & Commitment Charges etc.)		191,614		—
		<u>191,614</u>		
		<u>5,482,034</u>		<u>2,804,498</u>

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
24. Depreciation and Amortization Expense :		
Depreciation of Tangible Assets	11,252,447	11,163,846
	<u>11,252,447</u>	<u>11,163,846</u>
25. Details of Other Expenses :		
(a) Consumption of Stores & Spares	3,119,798	4,645,759
(b) Power & Fuel	20,960,787	25,987,423
(c) Rent	187,200	155,350
(d) Repairs :		
Plant & Equipment	5,127,393	11,047,761
Building	210,559	197,822
Others	137,971	76,510
	<u>5,475,923</u>	<u>11,322,093</u>
(e) Insurance	133,614	139,295
(f) Rates & Taxes(excluding Income Tax) -		
VAT & CST	20,217,048	29,424,259
Entry Tax on Purchase	—	106,949
Other Rates & Taxes	3,089,755	580,597
Excise Duty on finished goods	1,417,713	1,825,972
	<u>24,724,516</u>	<u>31,937,777</u>
(g) Payment to Auditors :		
Statutory Audit Fess	45,000	45,000
Tax Audit Fess	15,000	15,000
Internal Audit Fees	12,000	12,000
	<u>72,000</u>	<u>72,000</u>
(h) Net Loss on Trading in derivatives in shares	—	17,890,363
(i) Provision for Gratuity	131,164	399,105
(j) Bad Debts Written Off	—	550,000
(k) Miscellaneous Expenditure	6,181,406	6,438,071
	<u>60,986,408</u>	<u>99,537,236</u>
Miscellaneous Expenditure comprises of following expenses :		
(i) Other manufacturing expenses	505,078	901,772
(ii) Travelling & Conveyance	1,238,274	498,687
(iii) Vehicle running expenses	519,056	867,772
(iv) Other miscellaneous expenses	3,918,998	4,169,840
	<u>6,181,406</u>	<u>6,438,071</u>

ASHIRWAD STEELS & INDUSTRIES LTD.**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****26. 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 31.3.13
1.	Dalbir Chhibbar	Key Management	Remuneration Personnel (Managing Director)	1.80 Paid	Nil
2.	Chandil Industries Ltd.	Enterprise over	Purchase of which key management personnel exercise significant influence.	920.38 Coal	Nil

27. 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 equipment and other immovable assets with effect from 21.3.2000. The Lease Period expired on 31.03.2013 and the process for renewal/extension of the said lease is under progress. The requirement of disclosure under AS 19 in respect of Lease is not applicable as it came into effect in respect of asset leased during accounting periods commencing on or after 1.4.2001 only.

28. Earning Per Share:

	2012-13	2011-12
(i) Profit/(Loss) after tax (Rupees)	79,88,738	(3,64,32,856)
(ii) Weighted Average No. of Equity Shares of Rs.10 each Face Value	1,25,00,000	1,25,00,000
(iii) Face value per Equity Share(Rupees)	Rs.10/-	Rs.10/-
(iv) Earnings/(Loss) Per Share (Rs.)	0.64	(2.91)

ASHIRWAD STEELS & INDUSTRIES LTD.**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****29. Deferred Tax Liability/ (Asset): Income Tax :**

	Deferred tax Liability as at 01.04.12 (Rs.)	Current year Debit/(Credit) (Rs.)	Deferred tax Liability as at 31.03.13 (Rs.)
Due to difference in Book and tax depreciation Rates.	2,61,46,594	(13,42,987)	2,48,03,607

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. 13,42,987/- for the year has been recognized in the Profit & Loss Account for the year.

30. 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.

31. Contingent Liabilities:

a) Bank Guarantees issued by the Citi Bank in favour of Third Parties as follows against which the company has pledged it's Fixed Deposits .

i) Bank Guarantee No.5568116503 dated 25.04.2008 for Rs.42,00,000/- issued in favour of Central Coalfields Ltd.

ii) Bank Guarantee No. 5569323502 dated 19.11.2009 for Rs.4,00,000/-issued in favour of Central Coalfields Ltd.

b) Claims not acknowledged by company are as under:-

		2012-13 (Rs.)	2011-12 (Rs.)
(1)	VAT on Coal Purchase (net of payment)	15,08,910	30,17,821
(2)	Income Tax (Pending before Appellate authorities in respect of which the company is in appeal.)	11,92,821	15,79,364
(3)	CENVAT on capital goods (net of payment)	12,14,662	24,75,534

c) Compensation of Rs. 1,15,48,530/- for Company's alleged non-lifting of coal wrongly and illegally claimed by M/s. Central Coalfields Ltd., Ranchi as Company has refused and refuted such illegal and baseless claims and the entire matter is pending with the Hon'ble High Court at Ranchi.

ASHIRWAD STEELS & INDUSTRIES LTD.

32. 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 plant at Jamshedpur. The company has accordingly paid the entire disputed tax liability on account of CST Rs.31,63,636 /- and of VAT Rs.33,72,410 /- till the end of the year, although this matter is pending for decision before the Hon'ble Supreme Court.
33. The balances of debtors and creditors are subject to confirmation by the parties.
34. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance payment) Rs. Nil (Previous year Rs.8,01,925)
35. 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.105, 000/- (Previous year Rs.55, 000/-)
36. Based on market value of the Company's investments as on 31.3.2013, there was no demerit in value of shares and hence no provision for the same has been made in the accounts.
37. The company has invested in unquoted Equity and Preference Shares of a company under the same management as stated below:

Name of the Company	No. of Shares held	Invested amount (Rs in Lacs)
Chandil Industries Ltd.	8,70,000 (Equity)	43.40
Chandil Industries Ltd.	4,00,000 (Preference)	400.00

38. No interest has been paid/payable by the Company during the year to the "Suppliers" covered under the micro Small and Medium Enterprises Development Act, 2006.
To the extent information available with the company, none of the suppliers were covered under the provisions of Micro Small and Medium Enterprises Development Act, 2006.
39. Effective March, 2011; M/s. Central Coalfields Ltd., Ranchi, had increased the price of 'B' Grade coal by whopping approx. 130% overnight in one stroke resulting in the aforesaid coal becoming absolutely

ASHIRWAD STEELS & INDUSTRIES LTD.

unviable and uneconomical for the production of Sponge Iron at Company's Sponge Iron Plant located at Jamshedpur. Accordingly, the Company had made several requests and representations, verbally and in writing to them with a request to supply Grade 'C' coal or lower grade of coal whose price increase was only 30% but Central Coalfields Ltd. most arbitrarily and illegally refused such valid requests of the company. Being highly aggrieved by this most illegal, unjustified, arbitrary and discriminatory act; the Company had taken legal action against Central Coalfields Ltd. in the Hon'ble High Court at Ranchi and that matter is under hearing and adjudication. As the Company suffered heavy losses for non-supply of coal by Central Coalfields Ltd., despite having provided them with Bank Guarantees of Rs.46,00,000/- and Coal advance amount of Rs.1,14,30,107/-; it got entitled for compensation from Central Coalfields Ltd. as per Clause Nos. 4.5 to 4.8 of FSA dated 29.04.2008 entered with them and it accordingly raised on CCL then a Compensation Bill of Rs. 99,45,450/- for accounting year 2011-12 and Rs. 99,45,450/- for accounting year 2012-13 along with an Interest amount of Rs. 6,86,644/- receivable on the said compensation amount and an Interest Bill of Rs. 45,33,763/- on Company's purchase advance amount of Rs. 1,14,30,107/- lying with them. Upon refusal by Central Coalfields Ltd. to pay the aforesaid compensation and interest amounts; the Company has filed a suit against Central Coalfields Ltd. at Hon'ble High Court at Ranchi for winding up of the former and the said suit is pending for hearing and adjudication. Since the matter is subjudice; the Company will account for the aforesaid compensation and interest amount being legitimately receivable from Central Coalfields Ltd. on actual receipt basis after the final verdict is announced by the Hon'ble High Court at Ranchi and/or higher courts.

40. In accordance with Accounting Standard 19 on 'Leases' as notified under the Companies (Accounting Standards) Rules 2006 the following disclosures in respect of operating leases are made.

The Company has taken factory land premises at Adityapur from Adityapur Industrial Area Development Authority under operating lease on 11.03.99 for a period of 90 years.

Rent includes gross rental expenses of Rs. 20,000/- (previous year Rs. 20,000/-). The committed lease rentals in the future are :

	As At 31.03.13	As At 31.03.12
Not later than one year	Rs.20,000	Rs.20,000
Later than one year and not later than five years	Rs.80,000	Rs.80,000
Later than five years	Rs.14,40,000	Rs.14,60,000

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	Year ended March 31, 2013	Year ended March 31, 2012
41. Additional Information pursuant to the provisions of Part II to Schedule VI of the Companies Act, 1956 to the extent applicable		
(i) Disclosures for manufactured goods, traded goods & services		
(a) Cost of materials consumed :	Amount(Rs.)	Amount(Rs.)
Iron Ore	218,983,462	278,582,366
Iron Ore Pellet	43,423,521	57,320,468
Coal	179,562,397	221,354,369
Dolomite	2,040,187	3,068,140
	444,009,567	560,325,343
	Sales Value	Closing Inventory
	Rs	Rs
(b) Manufactured goods :		Opening Inventory
Sponge Iron	557,660,846	16,599,211
	(645,357,761)	(10,104,962)
(c) Traded goods :	—	—
L. P. G Gas	—	—
	(12,211,018)	(105,040)
(d) Work in Progress		
Sponge Iron WIP	199,155	
	(302,644)	
	Purchase Rs	Sales Rs
(e) Traded goods		
L. P. G Gas	—	—
	(10,694,902)	(12,211,018)
(f) Service rendered		
L. P. G. Gas Services	—	
	(279,459)	

Note : Figures in brackets represent previous year figures.

ASHIRWAD STEELS & INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	Year ended March 31, 2013	Year ended March 31, 2012
(ii) Value of imports calculated on CIF basis during the financial year in respect of :-		
(a) Raw Materials	NIL	NIL
(b) Components and Spare Parts	NIL	NIL
(c) Capital goods	NIL	NIL
(iii) Expenditure in foreign currencies :		
Travelling Expenses	445,706	NIL
(iv) Raw material consumption includes only consumption of indigenous raw materials		
(v) There was no amount remitted during the year in foreign currencies on account of dividend.		
(vi) Earnings in foreign exchange :		
(a) Export of goods calculated on F.O.B. basis	NIL	NIL
(b) Royalty, knowhow, professional and consultation fees	NIL	NIL
(c) Interest and dividend	NIL	NIL
(d) Other income	NIL	NIL

42 The revised schedule VI to the Companies Act, 1956 has become effective for preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Accordingly, the figures for the previous year have been re-classified, wherever necessary to conform with the current year's classification.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PURANMAL AGARWAL : *Chairman*

Place: Kolkata

DALBIR CHHIBBAR : *Managing Director*

Dated:30th May, 2013

YUDHBIR CHHIBBAR : *Director*

ASHIRWAD STEELS & INDUSTRIES LIMITED

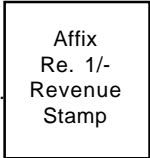
Registered Office :
6, Waterloo Street, Suite No. 506, 5th Floor
Kolkata - 700 069

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

as my / our proxy to vote for me/us or my/our behalf at the 27th Annual General Meeting of the Company to be held on Monday the 23rd September, 2013 at 10.30 a.m. at 6, Waterloo Street, Suite No. 506, Kolkata - 700 069 and at any adjourment thereof.

Signed this.....day of.....2013

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 27th Annual General Meeting of the above Company on Monday, the 23rd September, 2013.

* 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

BLANK PAGE

27th
annual
report
FOR THE YEAR ENDED
31ST MARCH 2013



ASHIRWAD STEELS

& INDUSTRIES LIMITED