

**28<sup>th</sup>**

*Annual*

*Report*

*FOR THE YEAR ENDED*

*31st MARCH, 2014*



**ASHIRWAD STEELS**  

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**& INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

Puranmal Agarwal, Chairman  
Dalbir Chhibbar, Managing Director  
Yudhbir Chhibbar, Director  
Suresh Kumar Agarwal, Director  
Sushma Chhibbar, Director  
Pravin Kumar Chhabra, Independent Director  
Lalit Kishore Choudhury, Independent Director  
Tapas Datta, Independent Director

**STATUTORY AUDITORS**

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

**BANKERS**

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

**CHIEF FINANCIAL OFFICER**

Shibani Sankar Mishra

**COMPLIANCE OFFICER**

Subhash Chandra Rana

**REGISTERED & HEAD OFFICE**

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

**COMPANY'S CORPORATE  
IDENTIFICATION NUMBER(CIN)**

L51909WB1986PLCO40201

**WORKS**

**SPONGE IRON PLANTS :**

1. Plot Nos. A1,A3,A5,A7, Phase-V,  
Adityapur Industrial Area, Ghamaria  
Jamshedpur-832108, Jharkhand,  
Telefax:+91-0657-2386283.
2. Peetam Palli Approach Road,  
Vill. & P.O. Veliminedu, Mandal-Chityal,  
Dist. Nalgonda, Pin-508114, Andhra Pradesh.  
Phone:091-08682-274690/691,

**LPG BOTTLING PLANTS :**

1. Uluberia Industrial Growth Centre,  
Uluberia, Howrah, West Bengal, Pin-711315.
2. Village : Kisnapur Near Urdana Check Post  
Raigarh - 496001, Chhattisgarh.

**REGISTRARS & TRANSFER  
AGENTS :**

Niche Technologies Pvt.Ltd.,  
D-511, Bagree Market, 5<sup>th</sup> Floor,  
71, B.R.B.B. Road, Kolkata-700 001  
Ph.No.091-033-2235 7270-71  
Telefax : 091-033-22156823  
E-mail: nichetechpl@nichetechpl.com

## **NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the Company will be held at the Registered Office of the Company at 6, Waterloo Street, 5<sup>th</sup> Floor, Suite No.506, Kolkata-700 069 on Monday, the 22<sup>nd</sup> September, 2014 at 10.30 a.m. for the following purposes :-

### **AS ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and the Audited financial statements of the company for the financial year ended along with Auditor's report thereon and accordingly to consider adoption of the following Resolution as an Ordinary Resolution:

"Resolved that the audited financial statements of the company for the year ended 31<sup>st</sup> March, 2014 including balance sheet as at 31st march 2014, the Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2014 together with the Reports of the Directors and the Auditors of the company thereon, as presented to the Meeting be and the same are hereby approved and adopted"

2. To appoint Directors in place of Mr. Puranmal Agarwal (DIN: 00587723) and Mr. Yudhbir Chhibbar (DIN: 00550630) who retire by rotation at the Annual General Meeting and being eligible have offered themselves for re-appointment and accordingly to consider adoption of the following Resolutions, with or without modification's, as Ordinary Resolutions :-

2(A) "Resolved that Mr. Puranmal Agrawal ( DIN: 00587723), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the company."

2(B) "Resolved that Mr. Yudhbir Chhibbar ( DIN: 00550630), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the company."

3. To appoint Statutory Auditors and to fix their remuneration.

The retiring auditors M/s A Pradhan & Associates, Chartered Accountants, are eligible for re-appointment. The declaration to the effect that their appointment, if made, would be within the limits and they are free from any disqualification specified in section 141 of the Companies act, 2013 and the rules made there under has been received from them and accordingly to consider adoption of the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT M/s. A Pradhan & Associates, Chartered Accountants (Regn. No.053543) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 28th Annual General Meeting until the conclusion of the 31st AGM (subject to ratification of the appointment by the members at every AGM held after this 28<sup>th</sup> AGM) at a remuneration of Rs.55,000/- plus reimbursement of out of pocket expenses for the Financial Year 2014-15 as fixed by the Board of Directors of the Company and for other years as may be fixed by the Board of Directors."

### **AS SPECIAL BUSINESS :**

To consider and if thought fit to pass with or without modification(s); the following Resolutions as Ordinary Resolutions :

- 4(I) "RESOLVED THAT Mr. Dalbir Chhibbar (DIN: 00550703) be and is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from 17.5.2014 and extending upto 16.5.2019 on the terms and conditions including salary, benefits and perquisites as given below :-

#### **(A) REMUNERATION :**

- (a) Salary : @ Rs.1,00,000/- per month which shall increase by upto 10% every year. However, the Managing Director is at liberty to take Lesser salary if he so decides considering the overall financial conditions/constraints of the Company.
- (b) Perquisites & Benefits : Shall be allowed in addition to salary which shall be as under :

1. House Rent Allowance or Rent Free Accommodation whether furnished or unfurnished.
2. Reimbursement of actual medical expenses incurred including cost of medicines, hospitalization, nursing home and surgical charges for self and family.

3. Leave Travel Concession : Leave Travel Concession once in a year in respect of self and family not exceeding two month's salary.
4. Leave : Leave with full pay or encashment thereof as per the rules of the company for a maximum amount equal to one month's salary.
5. Club Fees : Payment of Club fees and expenses subject to a maximum of three clubs. This will not include admission and life membership fees.
6. Gas, Electricity and Water at his residence on actual basis.
7. Telephone at residence and/or mobile phone and internet charges, if any, including cost of telephone instruments/handsets.
8. Motor Cars : Provision of Company maintained two Motor Cars with Driver.
9. Personal Accident Insurance : Personal Accident Policy of such amount as may be decided by the Board of Directors, premium of which shall not exceed Rs. 1,00,000/- per annum.
10. Contribution to Provident Fund/Superannuation Fund/Annuity Fund : Company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 25% of salary in aggregate.
11. Gratuity : Gratuity at the rate of half month's salary for each year of completed service and the same shall be payable to him from the date of his first appointment as the Managing Director of the Company.
12. Other Perquisites: Subject to overall ceiling on remuneration mentioned here below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such Rule, the same shall be evaluated at actual cost.

**(B) Overall Remuneration :**

The aggregate of salary and perquisites as above for any financial year shall not exceed the limits prescribed from time to time u/s 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as may be in force for the time being and/or any other applicable law, if any.

**(C) Minimum Remuneration :**

In the event of loss, absence or inadequacy of profits in any Financial year during the currency of tenure of Mr. Dalbir Chhibbar as Managing Director, the remuneration aforesaid shall be such amount as is prescribed under provisions of Schedule V of the Companies Act, 2013 and/or any other applicable law, if any."

- 4(ii) "FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this Resolution with respect to such extension by another five years of Managing Director's period of office."
5. To appoint Mr. Pravin Kumar Chhabra (DIN: 01061185) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT approval and consent be accorded to the re-appointment of Mr. Pravin Kumar Chhabra as an Independent Director of the Company for a period of 5 years as per terms and conditions as stated in his fresh appointment letter dated 21.5.2014 and he shall perform such role, functions and duties as assigned to him by the Board of Directors in terms of Sections 149 & 152 and provisions of schedule IV and other applicable provisions of the new Companies Act, 2013 and in terms of his appointment letter dated 21.5.2014."

6. To appoint Mr. Lalit Kishore Choudhury (DIN: 00064874) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT approval and consent be accorded to the appointment of Mr. Lalit Kishore Choudhury as an Independent Director of the Company w.e.f. 28.03.2014 for a period of 5 years as per terms and conditions as stated in his appointment letter dated 21.5.2014 and he shall perform such role, functions and duties as assigned to him by the Board of Directors in terms of provisions of Sections 149 & 152 and schedule IV and other applicable provisions of the new Companies Act, 2013 and in terms of his appointment letter dated 21.5.2014."



7. To appoint Mr. Tapas Datta (DIN: 00784977) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT approval and consent be accorded to the appointment of Mr. Tapas Datta as an Independent Director of the Company, who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years as per terms and conditions as stated in his appointment letter dated 21.5.2014 and he shall perform such role, functions and duties as assigned to him by the Board of Directors in terms of provisions of Sections 149 & 152 and schedule IV and other applicable provisions of the new Companies Act, 2013 and in terms of his appointment letter dated 21.5.2014."

8. To appoint Cost Auditors in terms of Section 148 and Rule 14 of Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013 for the Financial Year ending 31<sup>st</sup> March, 2015 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions :

"RESOLVED THAT M/s. Shahzad & Co., Cost Accountants (Proprietor Mr. Shahzad Akbar having Certificate of Practice bearing Membership No.22524) be and are hereby appointed as the Cost Auditors of the Company for the Financial Year 2014-15 at a remuneration of Rs.10,000/- as recommended and fixed by the Audit and Nomination & Remuneration Committee of the Company."

"FURTHER RESOLVED THAT such appointment of M/s. Shahzad & Co. as the Cost Auditors of the Company for the aforesaid year shall be subject to the confirmation and/or approval of the Ministry of Corporate Affairs, Government of India, New Delhi or any other Regulatory Agencies".

9. To adopt new Articles of Association of the Company containing regulations in conformity with the new Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

**SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

10. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT in terms of provisions of Section 120 of the Companies Act, 2013 the Board of Directors of the Company be and is hereby authorized to sell, lease or dispose off the Company's Gas Bottling Plant located at Raigarh (Chhattisgarh) and also the Company's Sponge Iron Plant located at Ghamaria, Adityapur Industrial Area, Jamshedpur, in full or in part, to any prospective buyer(s)/ lessee(s) at such consideration value and on such terms and conditions as they may decide and deem fit and proper in the best interest of the Company provided that the sale proceeds arising out of such sale, if any, shall be utilized for the working capital requirements of the Company or in such investments as are permitted under the provisions of Companies Act, 2013 or any other applicable law or for investment in any diversified business which the Board may undertake in the best interest of the Company"

11. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT in terms of provisions of Section 186 of the Companies Act, 2013 and Rule 13 of the Company's (meetings of Boards and its power) Rules 2014 as amended from time to time; the Board of Directors of the Company be and is hereby authorized to give loans to any persons or any Body Corporate(s) at such interest rates which are not less than as prescribed under Section 186 (7) of the Companies Act, 2013 or acquire by way of subscription, purchase or otherwise the securities of any other Body Corporate provided that the aggregate amount of such loans and investments shall not exceed Rs.50 crores (Rupees fifty crores only) and further resolved that the Board is also authorized and empowered to give such loans and/or to make such investments at their sole discretion and on such terms and conditions as they may think fit and proper and in the best interest of the Company and that they can delegate these powers to the Managing Director and/or any other Director of the Company severally or jointly."

12. To consider and if thought fit to pass with or without modifications the following resolutions as Special Resolutions:

"RESOLVED THAT in supersession of the Resolution passed by the Shareholders of the Company on 29.5.2009 under the provisions of the Companies Act 1956, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time and the Articles of Association of the Company; the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, such sum of monies which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers under ordinary course of business) may exceed the agreed aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs.150 crores (Rupees One Hundred Fifty Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"FURTHER RESOLVED THAT Board be and is hereby authorized to do all such acts, deeds and things, to execute all such agreements, documents, instruments and writings as may be required to give effect to this resolution and that the Board may delegate these powers to the Managing Director and or any other Director of the company"

"RESOLVED THAT in supersession of the Resolution passed by the Shareholders of the Company on 29.5.2009 under the provisions of Companies Act 1956, and pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit together with Power to take from the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies to secure such loan/borrowings/overdrafts in their favour, if necessary, provided that the total amount of loans/borrowings together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges and other expenses and all other monies payable by the Company in respect of the said loans/borrowings/overdrafts for which the charges/mortgages/hypothecations are to be created, shall not at any time exceed Rs.150 crores (One Hundred Fifty Crores Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things to execute all such loan agreements, instruments and writings as may be required to give effect to this Resolution and can delegate these powers to the Managing Director of the company and/or to any other Director of the company"

Place : Kolkata  
Dated : 31st July, 2014.

Regd. Office : 6, Waterloo Street,  
5<sup>th</sup> Floor, Suite No.506,  
Kolkata-700 069.

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

**Dalbir Chhibbar**  
Managing Director.

**NOTES :** (Forming part of Notice convening the Annual General Meeting)

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. The member can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other persons or shareholders. The appointment of proxy shall be in the form No.MGT.11 pursuant to Section 105(6) and Rule 19(3) of the Company's (Management and Administrative) Rules 2014.
2. The Register of Members of the Company will remain closed from Monday, the 15<sup>th</sup> September, 2014 to 22<sup>nd</sup> September, 2014 (both days inclusive).
3. Shareholders/Proxy holders are requested to produce at the entrance the attached admission slip in Form No.MGT.11 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 holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ RTA M/s Niche Technologies Pvt. Ltd., Kolkata. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
6. 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.
7. The notice of the 28<sup>th</sup> AGM along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email address is registered with the company/ Depository participant(s) (DP)/RTA unless a member requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid document are being sent by the permitted mode.
8. Members may also note that the notice of 28<sup>th</sup> AGM, Explanatory Statement, Notice of Postal Ballot along with its Explanatory Statement and annual report for the financial year ended 31<sup>st</sup> march, 2014 will be available at company's website, [www.ashirwadsteels.com](http://www.ashirwadsteels.com)
9. **Voting through electronic means :**
  - i. In compliance with Section 108 of the Companies Act, 2013 and Rule 20 and 21 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
  - ii. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:

**iii. The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **September 16, 2014 (10.00 a.m.) and ends on 18<sup>th</sup> September, 2014 (6.00 p.m.)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **8<sup>th</sup> August-2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "**ASHIRWAD STEELS & INDUSTRIES LTD.**" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc.</li> </ul> <p>Example:</p> <ol style="list-style-type: none"> <li>Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</li> <li>M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</li> </ol>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> <li>Please Enter the DOB or Bank Account Number in order to Login.</li> </ul> <p>If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares held by you as on Cut-Off Date (Record Date) of 08-August-2014.</p>

- (xi) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "**ASHIRWAD STEELS & INDUSTRIES LTD.**" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their votes.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The Shareholders can also write to the Company at [ashirwadsteels@gmail.com](mailto:ashirwadsteels@gmail.com)
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid equity share capital of the Company as on the Cut-Off Date (Record Date) of 08.08.2014
- V. Sri Arvind Kumar Saraf, Chartered Accountant (Membership No.056138) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Company.
- Vii. The Results shall be declared on or after the AGM of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.ashirwadsteels.com](http://www.ashirwadsteels.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and also communicated to the listed stock exchange BSE.

**10. Annexure to Item No. 2 of the NOTICE**

Brief resume of Directors who are proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchanges.

Name of the Director	Mr. Puranmal Agarwal	Mr. Yudhbir Chhibbar
Date of Birth	06.08.1951	02.05.1953
Nationality	Indian	Indian
Date of Appointment on board	26.12.1992	31.08.1994
Qualification	B.Com	B.Com
Shareholding in the Company	4750	3000
List of Directorship held in other companies	Chandil Industries Ltd. Adhunik Gases Ltd. MSP Steel & Power Ltd. Raj Securities Ltd. Howrah Gases Ltd. MSP Metallica Ltd. ChamanMetallica Ltd. MSP Power Ltd. MSP Energy Ltd. MSP Cement Ltd. Rama Alloys Pvt.Ltd. Sanee Capital And Leasing Pvt. Ltd. Viconic Merchants Pvt.Ltd. Ilex Pvt. Ltd. RakhiVinimayPvt.Ltd.	Chandil Industries Ltd. Yokogawa Commotrade Pvt. Ltd.

11. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 12.00 p.m. to 3.00 p.m. on any working day till the date of Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013  
FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.**

**AS A SPECIAL BUSINESS :**

1. **In respect of Resolution Nos. 4(i) & (ii)** – Mr. Dalbir Chhibbar was re-appointment as the Managing Director of the Company by the Board of Directors in their meeting held on 25<sup>th</sup> April, 2008 for a period of 5 years commencing from 17.5.2009 and upto 16.05.2014 and the aforesaid appointment was duly ratified by the members in their meeting held on 27.05.2008.



Accordingly, Mr. Dalbir Chhibbar, Managing Director's tenure expired on 16.5.2014. Meanwhile, the Board of Directors in their meeting held on 28.03.2014 re-appointed him as the Managing Director of the Company for a further period of 5 years commencing from 17.05.2014 and upto 16.05.2019 subject to the approval and ratification of such appointment by the members of the Company in their General Meeting. Mr. Dalbir Chhibbar is a well qualified person, being a Chartered Accountant of 1981 Batch, and has adequate experience in the fields in which the Company operates and he has managed the business affairs of the Company most efficiently, sincerely and faithfully since the time he became the Managing Director of the Company and despite all difficulties and adverse conditions in terms of shortage/non-availability of raw materials and their extremely high prices, increased manufacturing and administration cost, depressed market conditions and uneconomic operations he has conducted the business and financial operations of the Company under the supervision, guidance and control of Board of Directors in a most optimum and efficient manner. It is in the best interest of the Company to re-appoint Mr. Dalbir Chhibbar as the Managing Director of the Company for another 5 years as stated above and accordingly your Directors recommend his appointment and passing of the relevant resolution as mentioned in the notice dated 28<sup>th</sup> July, 2014 convening the next Annual General Meeting. Mr. Dalbir Chhibbar, Mrs. Sushma Chhibbar and Mr. Yudhbir Chhibbar, the Directors of the Company, are interested in the aforesaid resolution being relatives to the extent of remuneration and other benefits that shall be paid to Mr. Dalbir Chhibbar as the Managing Director. The other Directors and the Key Managerial Personnel or their relatives are not interested parties to the aforesaid resolution. No other Director is personally interested in the aforesaid resolution in any manner.

2. **In Respect of Resolutions Nos. 5, 6, & 7** – Mr. Pravin Kumar Chhabra is the Independent Director of the Company. Mr. Lalit Kishore Choudhury was also appointed as Independent Director of the Company by the Board of Directors in their meeting held on 28.03.2014 and Mr. Tapas Datta was also appointed as the Independent Director on 21.5.2014 to meet the requirements of Section 149 & 152 and Schedule IV and other relevant provisions and rules of the new Companies Act, 2013; wherein it is mandated that their appointment be approved and ratified by the members in their General Meeting. Your Board of Directors are of the opinion that the aforesaid Independent Directors fulfil the conditions as specified in the Companies Act, 2013 and the rules made thereunder and that the aforesaid Directors are independent of the Management and that the said Independent Directors are adequately qualified with a balance of skill, experience and knowledge.

Your Board further clarifies that the aforesaid Independent Directors have agreed and are competent enough to carry out all duties and functions as have been assigned to them by the Board of Directors and also under the provisions of Companies Act, 2013. The said Independent Directors are eligible for such remuneration/fees and reimbursement of expenses as has been settled between them and the Board of Directors as stated in their appointment letter dated 21.5.2014. None of the Directors other than the Independent Directors are interested in the proposed ordinary resolution regarding approval and ratification of their appointment by the members in the ensuing Annual General Meeting. Your Board, however, recommend your approval, consent and ratification of their appointment as Independent Directors of the Company for a period of 5 years.

3. **Resolution No. 8** - The Board on the recommendation of the Audit Committee and Nomination & Remuneration Committee of the company has approved the appointment of the Cost Auditors, M/s. Shazad & Co., Cost Accountants ( Prop. Mr. Shazad Akbar having Certificate of Practice being Membership No. 22524) to conduct the audit of cost records of the company for the financial year ending on 31<sup>st</sup> March, 2015.

In accordance with the provisions of section 148 of the Companies Act read with Rule – 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors/ Key Managerial Personnel of the company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

4. **Resolution No. 9** - The Articles of Association ("AOA") of the Company as presently in force are based on the

Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Companies Act, 2013.

The Act is now largely in force. The Ministry of Corporate Affairs ("MCA") has notified most of the Sections and relevant rules of the new companies act 2013(barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections and portions of the new Act which deals with the general working of companies stand notified.

With the coming into force of this new Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are largely based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) The nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) New provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized.
- (d) New provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;
- (e) The new articles have been largely streamlined and also aligned with the new Companies Act, 2013.

The draft of the proposed new Articles of Association of the Company is available at the Registered Office of the Company for inspection by any member and/or by any concerned interested person during the business hours of the Company on all days except Saturdays, Sundays and declared Holidays and these articles are also being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.9 of the Notice.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

5. **Resolution No.10** :The Company's Gas Bottling Plant located at Raigarh (Chhattisgarh) and also Sponge Iron Manufacturing Plant located at Ghamaria, Adityapur Industrial Area, Jamshedpur are lying closed for the last few years due to uneconomic and unviable operations on account of unavoidable reasons and circumstances which inter-alia include extreme shortage/unavailability of basic raw materials such as gas, coal and iron ore at affordable and economically viable rates. Such continuous closure of the above units is causing financial losses to the Company and hence the Board of Directors would like to have the option and authority to sell or lease out the same to any intending/prospective party(s)/buyer(s) on the best available terms and conditions. The Directors may also like to sell these properties either in full or in part depending upon circumstances. The above measures are in the best interest of the Company and accordingly the Board recommends the Special Resolution to this effect for your consideration and approval and none of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.10 of the Notice.



6. **Resolution No. 11** : Since currently the Company's both the Sponge Iron Plants and also the Gas Bottling Plant are lying closed; hence the Board would like to have the powers to invest the surplus funds of the Company as loans or as investment in securities or investment in any other profitable diversified business venture. Hence, your Board seek necessary authority and power from you in this respect as required under the relevant provisions of the Companies Act, 2013 and Rules framed thereunder. This Special Resolution is in the best interest of the Company and none of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.11 of the Notice.
7. **Resolution No. 12** :The members of the Company in their meeting held on 29.05.2009 had authorized the Board of Directors to borrow funds for the business purpose of the Company up to Rs.150 crores (Rupees one hundred fifty crores) from Banks, Financial Institutions and others in terms of Section 293 of the Companies Act, 1956. In terms of Section 180 of the Companies Act 2013; the said power of the Board to borrow money shall cease and expire unless renewed. Since the Company can and may require to borrow money in future for the business purposes of the Company; your Board of Directors seek your consent and approval to empower them to borrow money from Banks, Financial Institutions and other persons up to an aggregate limit of Rs.150 crores (Rupees one hundred and fifty crores). The Special Resolution to the effect is in the interest of the Company and your Board recommends the same and none of the Directors or Key Managerial Personnel of the Company are in any way personally interested in the aforesaid resolution.

Place : Kolkata

Dated : 31st July, 2014.

Regd. Office : 6, Waterloo Street,  
5<sup>th</sup> Floor, Suite No.506,  
Kolkata-700 069.

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

**Dalbir Chhibbar**  
Managing Director.

**BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors present their 28th Annual Report and the Audited Statements of Accounts of your Company together with Auditors' Report for the year ended 31<sup>st</sup> March, 2014.

	<b>Current year</b> (31.03.2014) Rs.	<b>Previous year</b> [31.03.2013] Rs.
<b>FINANCIAL RESULTS :</b>		
Turnover/Income from Operations(gross)	19,59,56,654	60,20,22,587
Less: Excise duty	1,68,84,790	5,88,63,222
Profit before exceptional and Extra-ordinary items and taxes	17,31,728	82,18,060
Profit before taxation	17,31,728	82,18,060
<b>Tax Expenses :</b>		
Current Income Tax	3,30,000	15,66,000
Fringe Benefit for earlier period	- -	6,309
Deferred Income Tax (Assets)	(23,21,146)	( 13,42,987)
Profit after Taxation	37,22,874	79,88,738

**OPERATIONS & FINANCIAL PERFORMANCE :**

The operational performance of the Company during the year has been quite dismal. 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 said Sponge Iron Plant continues to be closed on account of above reasons. 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 manufacturing expenses including Administrative Costs have 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 resulting in unremunerative selling prices. Your Company's Gas Bottling Plant located at Raigarh (Chhattisgarh) continues to be closed due to uneconomic operations. During the year under review your Company produced 7417 M.T. of Sponge Iron (previous year 27081 M.T.). The gross turnover of the Company/income from operations stood at Rs.1959.56 lacs (previous year Rs.6020.22 lacs). The net result of the year is a profit of Rs.37.23 lacs (previous year Rs.79.89 lacs).

**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.

**COST AUDITORS :**

M/s. Shazad & Co., Cost Accountants, are being recommended for appointment as Company's Cost Auditors for the Financial Year 2014-15 in terms of provisions of New Companies Act, 2013..

**DIRECTORS :**

Mr. Dev Kumar Mishra resigned from the Board of Director on 28.03.2014. Mr. Ashok Kumar Jaiswal, the Independent Director also resigned from the Board w.e.f. 21.05.2014. Mr. Lalit Kishore Choudhury was appointed as an Independent Director of the Company on and from 28.03.2014. Mr. Tapas Datta was appointed as an Independent Director of the Company on and from 21.05.2014. The members in the forthcoming General Meeting are requested to give their consent and approval for the appointment of the aforesaid Independent Directors. Mr. Puranmal Agarwal and Mr. Yudhbir Chhibbar, the Directors, retire by rotation and offer themselves for re-appointment at the ensuing Annual General Meeting.

**FIXED DEPOSIT :**

The Company has not accepted any deposits during the year 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, 25<sup>th</sup> Floor, Dalal Street, Mumbai-400 023.

The Company has paid the listing fees for the financial year 2013-2014 to the Stock Exchange, Bombay, on which Company's shares are listed. The Company has also paid custodial fees for the year 2013-2014 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, 5<sup>th</sup> Floor, Kolkata - 700 001. Phone : (033) 2235-7270/71, 2234-3576, Fax: (033) 22156823, E-mail [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

**INTIMATION & REGISTRATION OF E-MAIL ADDRESS BY THE SHAREHOLDERS/ MEMBERS.**

Every shareholder and member of the Company is hereby requested to intimate, record and register their e-mail address with the company by sending the same by post either to the Company or to the share registrars and transfer agents as above or to the depository participants of the Company as mentioned in this report. A separate letter to this effect shall be shortly posted to the Shareholders.

**DEPOSITORY DETAILS :**

1. Central Depository Services (India) Ltd., P.J.Towers (17<sup>th</sup> floor), Dalal Street, Mumbai-400023, Phone: (022) 22723333-3224, Fax : (022) 2272-2072/3199.
2. M/s. National Securities Depository Ltd., 4<sup>th</sup> 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 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 dematerialization 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.51,474/- (Previous Year : Nil)

**DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards had been followed along with 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 31<sup>st</sup> March, 2014 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 : 30<sup>th</sup> May, 2014.

For and on behalf of the Board

**Dalbir Chhibbar**  
Managing Director.

**Puranmal Agarwal**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT  
FORM – A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

<b>A. POWER AND FUEL CONSUMPTION :</b>	<b>Figures for current Reporting Period</b>	<b>Figures for Previous Reporting Period</b>
<b>1. Electricity : *</b>		
(a) Purchased		
Units	752416	2872760
Total amount (Rupees)	7312172	13693013
Rate/Unit (Rupees)	9.70	4.77
(b) Own generation (D.G.Set)		
Units	47591	84992
Cost/Unit	25.82	17.39
<b>B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION OF SPONGE IRON/ BOTTLING OF GAS.</b>		
(i) **Units consumed per Metric Ton of Hydrocarbon Gas/L.P.Gas bottle	Nil	14.63
(ii) Units consumed per Metric Ton of Sponge Iron produced	107.86	119.46

\* Only in respect of Nalgonda (Andhra Pradesh) Sponge Iron Plant as the other Plant at Jamshedpur remained closed.

\*\* Current year's figure is nil; as the operations at Raigarh Gas Bottling Plant remained shut.

**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 : 30<sup>th</sup> May, 2014.

For and on behalf of the Board

**Dalbir Chhibbar**  
Managing Director.

**Puranmal Agarwal**  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(For the Financial Year ended 31st March, 2014)

**(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 during the year under review. 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 likely to change in the future as there is hope that the new Central Government of the country may take appropriate and effective steps for the revival and survival of Sponge Iron and secondary steel sector and hence the Company do hope that the future outlook of the Industry may turn positive. The Apex Court has removed ban on iron ore mining activities in Karnataka by categorizing them in class A, B & C and asked the State Government that Mine Owners comply with licensing procedures and formalities of various Authorities and Departments so that they can restart operations.

**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 few 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 entire matter is subjudiced. 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 or the Government takes action to provide these vital inputs of the Sponge Iron Industry at affordable rates and in sufficient quantity through a suitable mechanism or agency.

**(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 b(i) above your Management perceives that the outlook of the Sponge iron Industry in the current financial year may improve subject to the new Central Government of the country taking effective and positive steps by providing inputs at affordable rates, increase planned expenditure on infrastructure to boost the demand for TMT bars to make the Sponge Iron selling prices profitable and remunerative. But to what extent the Government will help the ailing industry is not certain or difficult to predict.

**(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 authorized, 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.

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

During the year, the income from operations/turnover stood at Rs.19.59 crores as compared to Rs.60.20 crores in the previous year. The Company has earned a post-tax net profit of Rs.37.22 lacs as compared to Rs.79.88 lacs in the previous year. Your Directors are, however, continuing their efforts for improving the performance of your Company with hope of help from the new Central Government.

**(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.

However, due to prolonged closure of Company's Sponge Iron Plant at Jamshedpur, its employees have resigned and left the service. The Company will try to recall the most fittest and experienced of them if the said plant reopens/resumes manufacturing operations.

**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 31<sup>st</sup> March, 2014)

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 shareholders' 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 31<sup>st</sup> March, 2014 the Board of Directors consisted of a non-executive Chairman, a Managing Director, three non-executive Directors including one woman Director and three independent Directors.



**(b) Category, their Directorship and Committee Membership in other Companies as on 31.03.2014**

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	10	Nil	Nil	4750
Dalbir Chhibbar	Managing Director(executive)	3	Nil	Nil	108725
Yudhbir Chhibbar	Non-executive	1	Nil	Nil	3000
Suresh Kr. Agarwal	-do-	10	Nil	Nil	4300
Sushma Chhibbar	-do-	1	Nil	Nil	53000
Dev Kumar Mishra (Resigned on 28.3.2014)	Executive	Nil	Nil	Nil	Nil
Ashok Kumar Jaiswal	Non-Executive (Independent)	2	Nil	Nil	Nil
Pravin Kumar Chhabra	Non-Executive (Independent)	Nil	Nil	Nil	400
Lalit Kishore Choudhury	Non-Executive (Independent)	Nil	Nil	Nil	Nil



**(c) Board Meetings held during the year :**

During the financial year ended 31.03.2014 ; the Board of Director's Meetings were held on seven occasions e.g. on 30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 24<sup>th</sup> October, 2013, 8<sup>th</sup> November, 2013 3<sup>rd</sup> January, 2014, 14<sup>th</sup> February, 2014 and 28<sup>th</sup> March, 2014.

**(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 23.9.2013
		Held	Attended	
1.	Puranmal Agarwal	7	6	Yes
2.	Dalbir Chhibbar	7	7	Yes
3.	Yudhbir Chhibbar	7	4	Yes
4.	Suresh Kr. Agarwal	7	7	Yes
5.	Ashok Kumar Jaiswal	7	5	No
6.	Pravin Kumar Chhabra	7	7	Yes
7.	Sushma Chhibbar	7	6	Yes
8.	Dev Kumar Mishra (Resigned w.e.f. 28.03.2014)	7	Nil	No
9.	Lalit Kishore Choudhury	7	Nil	No

**(e) Information about Directors seeking re-appointment has been included in this Report.****3(a) 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 as on 31.03.2014 comprised 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.

**3(b) RE-CONSTITUTED AUDIT COMMITTEE :** In terms of provision of Section 177 and corresponding Rule 6 of the new Companies Act, 2013; the Board of Directors had re-constituted the Audit Committee with details as under :-

- |                                |                            |
|--------------------------------|----------------------------|
| 1. Mr. Tapas Datta             | .. Independent Director    |
| 2. Mr. Pravin Chhabra          | .. Independent Director    |
| 3. Mr. Lalit Kishore Choudhury | .. Independent Director    |
| 4. Mr. Shibani Sankar Mishra   | .. Chief Financial Officer |
| 5. Mr. Subhash Chandra Rana    | .. General Manager         |

On the terms of Reference, duties, functions and authorities as specified in the Companies Act, 2013.

**3(c) NOMINATION & REMUNERATION COMMITTEE:** In terms of Section 178 of the new Companies Act, 2013 the Board also constituted a Nomination & Remuneration Committee as under:-

- |                                |  |
|--------------------------------|--|
| 1. Mr. Lalit Kishore Choudhury | .. Independent Director                    |
| 2. Mr. Pravin Kumar Chhabra    | .. Independent Director                    |
| 3. Mr. Puranmal Agarwal        | .. Non-executive Director-<br>Cum-Chairman |

which shall formulate criteria for determining the qualification, experience, background, exposure, positive attributes and independence for the appointment and/or removal of Director, Key Managerial Personnel and Senior Managerial Persons ascertaining their reasonable remuneration commensurate with their qualification, job requirements meeting the appropriate performance benchmark to run the company successfully utilizing the existing resources to its optimum and shall evaluate their performance from time to time and report their suggestions to the Board.

**3(d) Stakeholders Relationship Committee :** In terms of Section 178 of the new Companies Act, 2013, the Board constituted Stakeholders Relationship Committee by appointing Mr. Lalit Kishore Choudhury, the Director of the Company as chairperson of Stakeholders Relationship Committee with immediate effect who shall consider and resolve the grievances of shareholders of the Company as and when the same are received by the company from shareholders and maintain proper records for the same and present the same to the Board and attend the Annual General Meetings of the Company.

**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 financial year 2014 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 General Meeting.
- (b) Details of remuneration paid to the Directors for the financial year ended 31<sup>st</sup> March, 2014

**Name of the Directors****Salary and other benefits**  
(Rupees)

Dalbir Chhibbar (Managing Director)	1,80,000
-------------------------------------	----------

**Note :** No remuneration was paid to any other Director of the Company. No Board Meeting sitting fees for all 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 31.3.2014.

**7. 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.

**8. General Body Meeting :**

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

<b><u>AGM</u></b>	<b><u>Financial Year</u></b>	<b><u>Date</u></b>	<b><u>Time</u></b>	<b><u>Place</u></b>
25th	2010-2011	19.9.11	10.30 AM	6, Waterloo Street, 5 <sup>th</sup> floor, Suite No.506, Kolkata-700 069. (Registered Office)
26 <sup>th</sup>	2011-2012	24.9.12	10.30 AM	6, Waterloo Street, 5 <sup>th</sup> floor, Suite No.506, Kolkata-700 069. (Registered Office)
27 <sup>th</sup>	2012-2013	23.9.13	10.30 AM	6, Waterloo Street, 5 <sup>th</sup> 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.

**9. Disclosures :**

- (a) There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

**NOTE :** The Annual Accounts contains the details of related party transactions 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.

**10. 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 re-developing and updating it's Website.
- (c) "Management Discussion and Analysis Report" has been included as part of this Report.

## 11. General Shareholders' information

(a) **AGM : Date, Time and Venue :**

The forthcoming 28th Annual General Meeting of your Company will be held on Monday the 22nd September, 2014, at its Registered Office at 6, Waterloo Street, 5<sup>th</sup> floor, Suite No.506, Kolkata-700 069 at 10.30 a.m. The NOTICE for holding the said AGM ALONG WITH ANNUAL REPORT etc shall be posted/e-mailed to members as soon as it is finalized after incorporating the formalities and procedure of newly introduced mandatory E-VOTING system by members/shareholders on resolutions proposed to be moved at the ensuing AGM. Members are requested to use this newly provided facility to record their assent or dissent to the proposed resolutions.

**(b) Financial Calender:**

Financial Year	March 31,
AGM in	September

(c) **Date of Book Closure :**

Commencement – Monday, the 15th September, 2014  
Ending – Monday, the 22<sup>nd</sup> September, 2014  
(Both days inclusive)

(d) Dividend Payment Date :

The Company has not declared any dividend for the Financial Year ended 31<sup>st</sup> March, 2014.

**(e) Listing on Stock Exchange :**

<u>Name of the Stock Exchange</u>	<u>Address</u>	<u>Stock Code</u>
Bombay Stock Exchange Ltd.,	Phiroze Jeejeebhoy Towers, Dalal Street. Mumbai-400 001.	526847

- (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 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 are given below :

<u>Month</u>	<u>High Price (Rs.)</u>	<u>Low Price (Rs.)</u>
April, 2013	9.45	9.45
May, 2013	No trading during the month	
June, 2013	8.56	8.56
July, 2013	6.66	6.66
August, 2013	5.15	5.15
September, 2013	4.66	4.66
October, 2013	4.44	4.44
November, 2013	3.99	3.99
December, 2013	4.18	6.00
January, 2014	5.99	6.28
February, 2014	5.73	5.73
March, 2014	4.93	4.93

**(h) Registrar and 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.Road, Kolkata-700 001 (West Bengal)  
Phone No. (033) 2235 7270/71 Fax: 2215 6823  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

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 it's Registered Office at 6, Waterloo Street, 5<sup>th</sup> 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 31<sup>st</sup> March, 2014**

Category of share holder	No. of Equity Shares held	% of Shares held
(A) Promoter's Holding	5547291	44.38
<b>(B) Non Promoter's Holding</b>		
Institutional Investors	8700	0.07
Private Corporate Bodies	4956173	39.65
Indian Public	1831550	14.65
NRIs/OCBs	151144	1.21
Others	5142	0.04
<b>Total</b>	<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 31<sup>st</sup> March, 2014 :-**

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	2843	87.5577	3,88,423	3.1074
501- 1,000	142	4.3733	1,16,665	0.9333
1,001- 5,000	159	4.8968	3,47,566	2.7805
5,001- 10,000	24	0.7391	1,92,361	1.5389
10,001- 50,000	41	1.2627	11,73,130	9.3850
50,001- 1,00,000	13	0.4004	8,82,819	7.0626
1,00,001- and Above	25	0.7699	93,99,036	75.1923
<b>Total</b>	<u>3247</u>	<u>100.0000</u>	<u>1,25,00,000</u>	<u>100.0000</u>

**(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; 10687862 number of shares (85.50%) have been dematerialized as on 31.03.2014.

(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 :

Mr. Subhash Chandra Rana

(Compliance Officer)

C/o. Ashirwad Steels & Industries Limited

6, Waterloo Street, 5<sup>th</sup> floor, Suite No.506,

Kolkata-700 069, West Bengal.

Phone No. 091-033-22430372

Telefax : 091-033-22430376

E-mail : ashirwadsteels@gmail.com

Website : www.ashirwadsteels.com

**(o) Plant Locations :****Sponge Iron Plants**

- 1) Plot No.A1,A3,A5,A7, Phase-V, Adityapur Industrial Area, Ghamaria, Jamshedpur-832 108, (Jharkhand).
- 2) Peetam Palli Approach Road, Vill. & P.O. Veliminedu, Mandal-Chityal, Dist. Nalgonda, Andhra Pradesh – 508 114.

**LPG/RLHG****Bottling Plants**

- 1) Uluberia Industrial Growth Centre, Uluberia, Howrah, West Bengal, Pin – 711 315 (Leased out)
- 2) Village : Kisanpur, Near Urdana Check Post, Raigarh-496001 (Chhattisgarh).

**p) Corporate Identification No. : L51909WB1986PLC040201****STATUS OF COMPLIANCE OF NON-MANDATORY REQUIREMENTS :**

1. The Company did not have a Remuneration Committee as on 31.03.2014.
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 : 30<sup>th</sup> May, 2014.

Regd. Office : 6, Waterloo Street,  
5<sup>th</sup> Floor, Suite No. 506,  
Kolkata – 700 069.

For and on behalf of the Board

Dalbir Chhibbar  
Managing Director

Puranmal Agarwal  
Chairman

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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014, 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 : 30<sup>th</sup> May, 2014.

For A Pradhan & Associates  
Chartered Accountants  
A. Pradhan  
Partner.  
Membership No. 53543

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

**INDEPENDENT AUDITORS' REPORT**

**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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year 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 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- © in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**A.PRADHAN & ASSOCIATES, Chartered Accountants****Emphasis of Matter :**

We draw attention to Note No.37 to the Financial Statements with respect to Company having filed a legal suit in the Hon'ble High Court of Ranchi against Central Coalfields Ltd. for their illegal adjustment of Company's purchase advance of Rs.1,14,30,107/- given to them for purchase of Coal. Meanwhile, the Company has raised Compensation Bill on Central Coalfields Ltd. for Rs.99,45,450/- for the Accounting Year 2011-12 and also Rs.99,45,450/- for the Accounting Year 2012-13 along with all amount of interest accrued and due thereon till March,2014. The entire matter is pending for hearing and adjudication in the Hon'ble High Court, Ranchi. Pending outcome of the aforesaid legal suit against Central Coalfields Ltd.; the Company has not made any adjustments for the above financial transactions/matters in the Financial Statements of Accounts for the Financial Year 2013-14.

Our Opinion is not qualified in respect of the above.

**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 subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

Place of Signature : Kolkata  
Date : 30<sup>th</sup> May 2014

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

A PRADHAN  
(Proprietor)  
Membership No. 053543

**ASHIRWAD STEELS & INDUSTRIES LTD**  
**Financial Year 2013-14**

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**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, 2014:

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 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 and volume 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**  
**Financial Year 2013-14**

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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 not purchased raw material from a company under the same management exceeding the value of five lakhs rupees at cost price.
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**  
**Financial Year 2013-14**


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- (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 31.03.2014
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	Hon'ble ITAT, 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. 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 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.
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.

**ASHIRWAD STEELS & INDUSTRIES LTD**  
**Financial Year 2013-14**

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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.

Place: 28B, Kalidas Patitundi Lane,  
Kolkata – 700026.

Date: 30<sup>th</sup> May 2014

For **A PRADHAN & ASSOCIATES,**  
*Chartered Accountants*  
Firm Regd. No:325131E

A. PRADHAN  
(Proprietor)  
Membership No: 053543

**ASHIRWAD STEELS & INDUSTRIES LTD.**
**Balance Sheet as at 31st March, 2014**

SL. NO.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I.</b>	<b>EQUITY AND LIABILITIES :</b>			
(1)	<b><u>Shareholders' Funds</u></b>			
	(a) Share Capital	1	<b>125,000,000</b>	125,000,000
	(b) Reserves and Surplus	2	<b>381,892,714</b>	378,169,840
	<b>Sub Total - Shareholders' Funds</b>		<b>506,892,714</b>	503,169,840
(2)	<b><u>Non-current Liabilities</u></b>			
	(a) Deferred tax liabilities(Net)	27	<b>22,482,461</b>	24,803,607
	(b) Other Long Term liabilities	3	<b>1,957,385</b>	1,957,385
	(c) Long Term provisions	4	<b>2,462,939</b>	2,237,444
	<b>Sub Total - Non-current Liabilities</b>		<b>26,902,785</b>	28,998,436
(3)	<b><u>Current Liabilities</u></b>			
	(a) Trade Payables	5	-	16,761,128
	(b) Other current liabilities	6	<b>4,424,515</b>	9,742,087
	(c) Short-term provisions	7	<b>1,896,000</b>	1,572,309
	<b>Sub Total - Current Liabilities</b>		<b>6,320,515</b>	28,075,524
	<b>TOTAL :</b>		<b>540,116,014</b>	<b>560,243,800</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b><u>Non-current Assets</u></b>			
	(a) Fixed Assets			
	(i) Tangible Assets	8	<b>100,438,004</b>	111,689,533
	(b) Non-current Investment	9	<b>44,929,020</b>	44,929,020
	(c) Long-term loans and advances	10	<b>32,708,863</b>	29,660,110
	<b>Sub Total - Non-current Assets</b>		<b>178,075,887</b>	186,278,663
(2)	<b><u>Current Assets</u></b>			
	(a) Inventories	11	<b>71,651,281</b>	51,784,995
	(b) Trade Receivables	12	<b>20,682,939</b>	16,165,342
	(c) Cash and Cash Equivalents	13	<b>118,948,336</b>	168,218,916
	(d) Short-term loans and advances	14	<b>144,444,306</b>	128,028,813
	(e) Other current assets	15	<b>6,313,265</b>	9,767,071
	<b>Sub Total - Current Assets</b>		<b>362,040,127</b>	373,965,137
	<b>TOTAL :</b>		<b>540,116,014</b>	<b>560,243,800</b>

See accompanying notes forming part of the financial statements.

As per our attached report of even date

Place : Kolkata  
Dated : 30th May 2014

For **A PRADHAN & ASSOCIATES**  
Chartered Accountants

A. Pradhan  
Proprietor  
Membership No : 053543

PURANMAL AGARWAL : Chairman

DALBIR CHHIBBAR : Managing Director

SHIBANI SANKAR MISHRA : Chief Financial Officer

**ASHIRWAD STEELS & INDUSTRIES LTD.**
**Profit and Loss Statement for the year ended 31st March 2014**

SL. NO.	Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
<b>I.</b>	<b>Revenue from Operations</b>	16	<b>151,230,923</b>	500,030,584
<b>II.</b>	<b>Other Income</b>	17	<b>27,880,941</b>	22,911,733
<b>III.</b>	<b>Total Revenue (I+II)</b>		<b>179,111,864</b>	522,942,317
<b>IV.</b>	<b>Expenses :</b>			
(a)	Cost of materials consumed	18	<b>128,783,523</b>	444,009,567
(b)	Purchases of Trading goods	39(i)(d)	<b>5,003,297</b>	-
(c)	Changes in inventories of finished goods, Work-in-Progress & Stock-in-Trade	19	<b>(508,542)</b>	3,814,822
(d)	Employee Benefits Expense	20	<b>7,282,163</b>	9,396,027
(e)	Finance Costs	21	<b>4,678,646</b>	5,482,034
(f)	Depreciation and amortization expense	22	<b>11,271,329</b>	11,252,447
(g)	Other Expenses	23	<b>20,869,720</b>	40,769,360
			<b>177,380,136</b>	514,724,257
<b>V.</b>	<b>Profit before exceptional and extra-ordinary items and tax</b>		<b>1,731,728</b>	8,218,060
<b>VI.</b>	<b>Exceptional items</b>		-	-
<b>VII.</b>	<b>Profit before extra ordinary items and tax (V-VI)</b>		<b>1,731,728</b>	8,218,060
<b>VIII.</b>	<b>Extra ordinary items</b>		-	-
<b>IX.</b>	<b>Profit before tax (VII-VIII)</b>		<b>1,731,728</b>	8,218,060
<b>X.</b>	<b>Tax Expense :</b>			
	1. Current Tax(MAT)		<b>330,000</b>	1,566,000
	2. Deferred Tax Asset		<b>(2,321,146)</b>	(1,342,987)
	3. Fringe Benefit Tax for earlier year		-	6,309
<b>XI.</b>	<b>Profit for the period after tax(IX-X)</b>		<b>3,722,874</b>	7,988,738
<b>XII.</b>	<b>Earnings per Equity Share( Basic &amp; Diluted)</b>		<b>0.30</b>	0.64

See accompanying notes forming part of the financial statements.

As per our attached report of even date

Place : Kolkata  
Dated : 30th May 2014

For **A PRADHAN & ASSOCIATES**  
Chartered Accountants

A. Pradhan  
Proprietor  
Membership No : 053543

PURANMAL AGARWAL : Chairman

DALBIR CHHIBBAR : Managing Director

SHIBANI SANKAR MISHRA : Chief Financial Officer



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014**

		<b>CURRENT YEAR 31.03.2014 Rs.</b>	<b>PREVIOUS YEAR 31.03.2013 Rs.</b>
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net Profit before operating activities	<b>1,731,728</b>	8,218,060
	Adjustment for :		
	1. Depreciation	<b>11,271,329</b>	11,252,447
	2. Interest (Net)	<b>(22,589,526)</b>	(16,809,135)
	3. Sundry Credit Balance W/back	<b>(861,678)</b>	(82,123)
	4. Lease Rent(TDS)	<b>(161,807)</b>	(148,656)
	5. Gratuity Provision(Unfunded)	<b>225,495</b>	-
	6.Gratuity Paid	<b>(121,500)</b>	-
	7. Sundry Debit Balance Written off	<b>1,950,862</b>	-
	<b>Operating Profit before working Capital changes</b>	<b>(8,555,097)</b>	2,430,593
	Adjustment for :		
	1. Trade and other receivables	<b>1,298,523</b>	50,624,515
	2. Inventories	<b>(19,866,286)</b>	54,871,054
	3. Trade payables	<b>(22,078,700)</b>	(13,992,171)
	Cash generated from operations	<b>(49,201,560)</b>	93,933,991
	Direct Tax Paid including FBT	<b>(6,309)</b>	-
	Net cash from operating activities	<b>(49,195,251)</b>	93,933,991
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	1. Purchase of Fixed Assets	<b>(19,800)</b>	(1,525,135)
	2. Sale of Fixed Assets	-	-
	3. Interest Received	<b>26,874,208</b>	19,718,076
	4. Dividend Received	-	-
	5. Investment ( Net )	-	-
	Net cash from investing Activities	<b>26,854,408</b>	18,192,941
<b>C</b>	<b>Cash flow from Financing Activities</b>		
	1. Loan (Net)	<b>(22,500,000)</b>	(103,115,314)
	2. Interest paid	<b>(4,429,737)</b>	(5,209,531)
	Net Cash from financing activities	<b>(26,929,737)</b>	(108,324,845)
	Net increase/decrease in cash & cash equivalents (A+B+C)	<b>(49,270,580)</b>	3,802,087
	Cash & Cash equivalents (Opening Balance)	<b>168,218,916</b>	164,416,829
	Cash & cash equivalents (Closing Balance)	<b>118,948,336</b>	168,218,916

PURANMAL AGARWAL : Chairman  
DALBIR CHHIBBAR : Managing Director  
SHIBANI SANKAR MISHRA : Chief Financial Officer

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 2014 and found the same in agreement therewith and also with the requirement of clause 32 of the listing agreement with stock exchange.

Place : Kolkata  
Dated : 30th May 2014

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

**ASHIRWAD STEELS & INDUSTRIES LTD**  
**Financial Year 2013-14**

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**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.

**SIGNIFICANT ACCOUNTING POLICIES****(v) Valuation of Inventories:**

Inventories are valued as under:

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

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

**(vi) Retirement Benefits and other Employee Benefits:**

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

**(vii) Sales:**

Sales excludes VAT & CST, includes excise duty and it is 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.

## NOTE: 1

### Share Capital :

### NOTES ON FINANCIAL STATEMENTS

		Year ended March 31, 2014	Year ended March 31, 2013
	<u>Number</u>	<u>Rs.</u>	<u>Number</u> <u>Rs.</u>
(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) <u>Par value per Equity Share</u> Rs.10/- each			
(d) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :			
outstanding as at the beginning of the year	12500000	<b>12,500,000</b>	12500000 12,500,000
outstanding as at the end of the year	12500000	<b>12,500,000</b>	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 per cent shares :			
<u>Names of Shareholder</u>	<u>Number of Shares held</u>		<u>Number of Shares held</u>
Meghdoot Vyapar (P) Ltd.	1350000		1350000
Chhibbar Business & Fiscals Pvt. Ltd.	2158345		1539145
(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) <u>Terms/Rights attached to Equity Shares</u>			

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.

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 2**
**Reserves & Surplus :**

	Year ended March 31, 2014	Year ended March 31, 2013
i) Securities Premium Account :		
- Premium on issue of Equity Shares	<b>292,344,000</b>	292,344,000
ii) General Reserve	<b>75,000,000</b>	75,000,000
iii) Profit and Loss Account:		
Balance b/f	10,825,840	2,035,889
Add : Profit after Tax	3,722,874	7,988,738
Add : Excess Income tax Provision written Back.	-	801,213
	<b>14,548,714</b>	10,825,840
	<b>381,892,714</b>	<b>378,169,840</b>

**NOTE: 3**
**Other Long-Term Liabilities :**

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Others :</b>		
Security and other Deposits	<b>1,957,385</b>	1,957,385
	<b>1,957,385</b>	<b>1,957,385</b>

**NOTE: 4**
**Long Term Provisions :**

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Provision for Staff Gratuity</b>		
Balance b/d	2,237,444	2,106,280
Add : For the year	225,495	131,164
	<b>2,462,939</b>	2,237,444
	<b>2,462,939</b>	<b>2,237,444</b>

**NOTE: 5**
**Trade Payables - Current Liability :**

	Year ended March 31, 2014	Year ended March 31, 2013
Creditors for Raw Materials	-	16,761,128

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 6**
**Other Current Liabilities :**

	Year ended March 31, 2014	Year ended March 31, 2013
<b><u>Other Payables</u></b>		
ESI Employer's contribution	7,582	5,190
Provident Fund, Adm. Charges etc.	62,913	43,360
Tax Deducted at Source	14,041	63,306
Tax Collected at Source	48,488	-
VAT payable	-	510,562
Creditors for Expenses	4,291,491	8,780,038
Advance from Customers	-	77,947
Sales Tax(CST) Payable	-	149,726
Profession Tax Payable	-	5,040
Service Tax Payable	-	100,270
Welfare Cess Payable	-	6,648
	<u>4,424,515</u>	<u>9,742,087</u>

**NOTE: 7**
**Short Term Provisions :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) <b>Provision for Income Tax(MAT)</b>		
Balance b/d	1,566,000	
Add : For the year	<u>330,000</u>	1,566,000
	<u>1,896,000</u>	
(b) <b>Provision for Fringe Benefit Tax</b>	-	6,309
	<u>1,896,000</u>	<u>1,572,309</u>

## NOTES ON FINANCIAL STATEMENTS

NOTE: 8  
FIXED ASSETS

NAME OF THE FIXED ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION			NET BLOCK	
	OPENING AS ON 01.04.13	ADDITION DURING THE YEAR	ADJUSTMENT/ DEDUCTION	BALANCE AS ON 31.03.14	UPTO 31.03.13	DURING THE YEAR	ADJUSTMENT/ DEDUCTION	UPTO 31.03.14	AS ON 31.03.14	AS ON 31.03.13
<b>TANGIBLE ASSETS</b>										
LAND (Free Hold)	1328675	-		1328675	-	-	-	-	1328675	1328675
LAND (Lease Hold)	5253804	-		5253804	544508	49953	-	594461	4659343	4709296
BUILDINGS	18731740	-		18731740	7040302	618544	-	7658846	11072894	11691438
PLANT & EQUIPMENT	185393632	-		185393632	96603200	9571019	-	106174219	79219413	88790432
OFFICE EQUIPMENT	2140604	19800		2160404	1242921	94218	-	1337139	823265	897683
FURNITURE & FIXTURES	362170	-		362170	176774	21148	-	197922	164248	185396
MOTOR VEHICLES	9873626	-		9873626	5787013	916447	-	6703460	3170166	4086613
TOTAL	223084251	19800	-	223104051	111394718	11271329	-	122666047	100438004	111689533
PREVIOUS YEAR	221559116	1525135	-	223084251	100142271	11252447	-	111394718	111689533	121416845



**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 9**
**Non-current Investments (At cost) :**

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Trade Investments:</b>		
(a) Investments in Equity Instruments fully paid up(Quoted)		
Names of bodies corporate	<u>Amount</u>	<u>Amount</u>
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		
<b>Names of bodies corporate</b>		
370000 Equity Shares of Rs.10/- each of Chandil Industries Ltd.	4,340,000	4,340,000
(c) Investments in Preference Shares(unquoted, fully paid up) in associated company	40,000,000	40,000,000
400000 Preference Shares of Rs.100/- each of Chandil Industries Ltd.		
	<u>44,929,020</u>	<u>44,929,020</u>

**NOTE: 10**
**Long Term Loans and Advances :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Security Deposits with Govt. Departments	2,185,460	1,917,073
(b) Security Deposits with Others	8,326,550	8,326,550
(c) Other Loans and Advances :		
i) Advance to Suppliers	11,430,107	11,430,107
ii) Income Tax Deducted at Source	5,161,845	2,381,479
iii) Income Tax Refundable	5,604,901	5,604,901
	<u>22,196,853</u>	<u>19,416,487</u>
	<u>32,708,863</u>	<u>29,660,110</u>
<b>Classification :</b>		
Secured, considered good	9,496,810.00	9,228,423.00
Unsecured, considered good	23,212,053	20,431,687
Doubtful	-	-
	<u>32,708,863</u>	<u>29,660,110</u>

**NOTES ON FINANCIAL STATEMENTS****NOTE: 11****Inventories :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Raw Materials	<b>52,507,922</b>	32,174,665
(b) Goods in transit(Raw Material)	<b>2,004,393</b>	2,960,053
(c) Work-in-Progress(Sponge Iron)	<b>326,099</b>	199,155
(d) Finished goods	<b>13,452,960</b>	12,887,878
(e) Stores and Spares	<b>2,204,806</b>	2,287,072
(f) Others:		
Fuel(Diesel Oil)	<b>115,381</b>	52,968
Iron Ore Fines(unusable/scrap)	<b>1,039,720</b>	1,223,204
	<b><u>71,651,281</u></b>	<b><u>51,784,995</u></b>

**NOTE: 12****Trade Receivables :**

	Year ended March 31, 2014	Year ended March 31, 2013
(i) Outstanding for a period exceeding six months from the due date for payment	<b>558,458</b>	143,167
(ii) Outstanding for a period less than six months from the due date for payment	<b>20,124,481</b>	16,022,175
	<b><u>20,682,939</u></b>	<b><u>16,165,342</u></b>
(iii) <u>Trade Receivables classification :</u>		
Secured, considered good	-	-
Unsecured, considered good	<b>20,682,939</b>	16,165,342
Doubtful	-	-
	<b><u>20,682,939</u></b>	<b><u>16,165,342</u></b>
(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.		

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 13**
**Cash and Bank Balances :**

	Year ended March 31, 2014	Year ended March 31, 2013
<b><u>Cash and Cash equivalents</u></b>		
Cash in hand	628,284	2,512,009
Balances with Banks :		
- In Current Accounts	7,477,086	17,707,629
<b><u>Others</u></b>		
Balances with Banks :	110,842,966	147,999,278
- In Deposit Accounts		
[ see note (a), (b) & (c) ]		
	<u>118,948,336</u>	<u>168,218,916</u>
a) Balances with banks includes deposits under lien of Rs. 46,00,000/- issued to Central Coalfields Ltd. and Rs.56,16,000/- issued to The Singareni Collieries Co. Ltd. (Previous Year Rs.53,86,594/-) against bank guarantees.		
b) Balances with banks in deposit accounts include deposits under lien of Rs.8,50,00,000/- (previous year Rs.8,50,00,000/-)to the HDFC Bank Ltd. for security against overdraft facility provided by the said bank.		
c) Balances with banks include deposits of Rs.11,08,42,966/- (previous year Rs 14,79,99,278/- ) having original maturity of 12 months or more.		

**NOTE: 14**
**Short-Term Loans and Advances :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Advance to related parties :		
Advance to a Director	-	229,474
(b) Others:		
Loans to Body Corporates	130,000,000	107,500,000
Advance to Employees	7,000	14,500
Advance to Suppliers	13,920,313	19,569,901
Advance for Expenses	280,311	282,842
Balances with Central Excise & VAT Authorities	236,682	432,096
	<u>144,444,306</u>	<u>127,799,339</u>
	<u>144,444,306</u>	<u>128,028,813</u>
Short Term Loans & Advances Classification :		
Secured, considered good	-	-
Unsecured, considered good	141,751,002	125,335,509
Doubtful	2,693,304	2,693,304
	<u>144,444,306</u>	<u>128,028,813</u>

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 15**
**Other Current Assets :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Interest accrued on Bank Fixed Deposits	5,556,379	9,503,052
(b) Interest accrued on Security Deposit for Electricity	287,530	264,019
(c) Interest receivable on Loan Given	469,356	-
	<u>6,313,265</u>	<u>9,767,071</u>

**NOTE: 16**
**Revenue from operation consist of the following :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Sale of Products	149,452,414	557,660,846
(b) Other operating revenues :		
- Sale of Coal	9,210,989	-
- Sale of scrap coal fines, Kiln dust & char coal Lease Rent	2,252,310	14,835,008
	<u>7,200,000</u>	<u>6,615,000</u>
	168,115,713	579,110,854
<u>Less :</u>		
(c) Excise Duty	16,884,790	58,863,222
(d) Vat and CST	-	20,217,048
	<u>151,230,923</u>	<u>500,030,584</u>

**NOTE: 17**
**Other Income is classified as under :**

		Year ended March 31, 2014	Year ended March 31, 2013
(a) Interest Income			
(i) Interest on Bank Fixed Deposit	11,195,072	13,864,951	
(ii) Interest on Security Deposit	313,369	302,208	
(iii) Interest on Loans given	<u>15,510,822</u>	<u>7,932,396</u>	22,099,555
		27,019,263	
(d) Other non-operating income(net of expenses directly attributable to such income) :			
(i) Sundry Credit Balance written back	861,678	82,123	
(ii) Bad Debt Recovery A/C	<u>-</u>	<u>730,055</u>	812,178
		861,678	
		<u>27,880,941</u>	<u>22,911,733</u>

**NOTES ON FINANCIAL STATEMENTS****NOTE: 18****Cost of materials consumed :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Iron Ore	<b>61,388,943</b>	218,983,462
(b) Iron Ore Pellet	<b>7,062,151</b>	43,423,521
(c) Coal	<b>59,649,157</b>	179,562,397
(d) Dolomite	<b>683,272</b>	2,040,187
	<b><u>128,783,523</u></b>	<b><u>444,009,567</u></b>

Consumption of coal of the current year include the cost value of 1840.700 MT of coal valuing Rs.40,29,293 sold during the year out of the opening stock quantity.

**NOTE: 19****Changes in Inventories :**

		Year ended March 31, 2014	Year ended March 31, 2013
<b>Opening Stock :</b>			
(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(Unusable/scrap)	<u>1,223,204</u>	<u>1,223,204</u>	<b>18,125,059</b>
	<b>14,310,237</b>		
<b>Less : Closing Stock :</b>			
(a) Finished goods(Sponge Iron)	13,452,960	12,887,878	
(b) Work-in-Progress(Sponge Iron)	326,099	199,155	
(c) Iron ore Fines(Unusable/scrap)	<u>1,039,720</u>	<u>1,223,204</u>	<b>14,310,237</b>
	<b>14,818,779</b>		
(Increase)/Decrease in Inventory	<b><u>(508,542)</u></b>		<b><u>3,814,822</u></b>

**NOTE: 20****Employee Benefits Expenses :**

	Year ended March 31, 2014	Year ended March 31, 2013
(a) Salaries and Wages	<b>5,852,590</b>	7,345,475
(b) Contribution to Provident Fund, ESI etc.	<b>774,163</b>	671,420
(c) Staff Welfare Expenses	<b>533,910</b>	1,065,349
(d) Gratuity Paid	<b>121,500</b>	313,783
	<b><u>7,282,163</u></b>	<b><u>9,396,027</u></b>

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 21**
**Details of Finance Cost :**

	Year ended March 31, 2014		Year ended March 31, 2013	
(a) <b>Interest :</b>				
Interest on Bank Loans/Overdraft	<b>4,386,974</b>		4,379,850	
Interest on Unsecured Loans	-		808,889	
Interest & Penalty Charges	<u><b>42,763</b></u>	<b>4,429,737</b>	<u>101,681</u>	5,290,420
(b) <b>Other borrowing cost :</b>				
Loan Facilitation Charges				
(Renewal & Commitment Charges etc.)		<u><b>248,909</b></u>		<u>191,614</u>
		<u><b>4,678,646</b></u>		<u><u>5,482,034</u></u>

**NOTE: 22**
**Depreciation and Amortization Expense :**

	Year ended March 31, 2014		Year ended March 31, 2013	
Depreciation of Tangible Assets		<b>11,271,329</b>		11,252,447
		<u><b>11,271,329</b></u>		<u><u>11,252,447</u></u>

**NOTES ON FINANCIAL STATEMENTS**
**NOTE: 23**
**Details of Other Expenses :**

		Year ended March 31, 2014	Year ended March 31, 2013
(a) Consumption of Stores & Spares		<b>800,658</b>	3,119,798
(b) Power & Fuel		<b>11,811,783</b>	20,960,787
(c) Rent		<b>202,081</b>	187,200
(d) Repairs :			
Plant & Equipment	1,197,427		5,127,393
Buildings	25,110		210,559
Others	76,086	<b>1,298,623</b>	<b>137,971</b>
			5,475,923
(e) Insurance		<b>72,537</b>	133,614
(f) Rates & Taxes(excluding Income Tax)			
Other Rates & Taxes	431,021		3,089,755
Excise Duty on finished goods(Net)	62,161	<b>493,182</b>	<b>1,417,713</b>
			4,507,468
(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
Cost Audit Fees	30,000	<b>102,000</b>	<b>-</b>
			72,000
(h) Provision for Gratuity		<b>225,495</b>	131,164
(i) Miscellaneous Expenditure		<b>5,863,362</b>	6,181,406
		<b>20,869,721</b>	<b>40,769,360</b>
Miscellaneous Expenditure comprises of following expenses :			
(i) Other manufacturing expenses	239,308		505,078
(ii) Travelling & Conveyance	552,159		1,238,274
(iii) Vehicle running expenses	260,257		519,056
(iv) Other miscellaneous expenses	4,811,637	<b>5,863,361</b>	<b>3,918,998</b>
			6,181,406



**NOTES ON FINANCIAL STATEMENTS****24. 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.in Lacs)	Balance (Rs.in Lacs) as on 31.3.14
1.	Dalbair Chhibbar	Key Managerial Personnel (Managing Director)	Remuneration Paid	1.80	Nil

**25. Lease:**

The Company has leased its RLHG/LPG Bottling Plant in the WBIIIDC 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 has been renewed during the year for a period of 3 years from 01.04.2013 to 31.03.2016. 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.

**26. Earning Per Share:**

		2013-14	2012-13
I )	Profit after tax (Rupees)	37,22,874	79,88,738
ii)	Weighted Average Number of Equity Shares of Rs.10 each Face Value	1,25,00,000	1,25,00,000
iii)	Face value per Equity Share(Rupees)	10	10
iv)	Earnings Per Share (Rs.)	0.30	0.64

**27. Deferred Tax Liability/ (Asset): Income Tax :**

	Deferred tax Liability as at 01.04.13 (Rs.)	Current year Debit/(Credit) (Rs.)	Deferred tax Liability as at 31.03.14 (Rs.)
Due to difference in Book and tax depreciation Rates.	2,48,03,607	(23,21,146)	2,24,82,461

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.23,21,146/- for the year has been recognized in the Profit & Loss Account for the year.

28. 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.

**29. Contingent Liabilities:**

a) Bank Guarantees issued by the HDFC Bank in favour of Third Parties as follows:

- i) Bank Guarantee No.014GT01133450003 dated 11.12.2013 for Rs.46,00,000/- issued in favour of Central Coalfields Ltd. against which the company has pledged/ created lien on it fixed deposits with the HDFC Bank Ltd.

**NOTES ON FINANCIAL STATEMENTS**

ii) Bank Guarantee No. 014GT02121370001 dated 03.04.2013 for Rs.56,16,000/-issued in favour of The Singareni Collieries Company Ltd.

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

		2013-14 (Rs.)	2012-13 (Rs.)
(1)	VAT on Coal Purchase (net of payment)	15,08,910	15,08,910
(2)	Income Tax (Pending before Appellate authorities & Hon'ble ITAT in respect of which the company is in appeal.)	11,92,821	11,92,821
(3)	CENVAT on capital goods (net of payment)	12,14,662	12,14,662

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.

**NOTES ON FINANCIAL STATEMENTS**

30. 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.
31. The balances of debtors and creditors are subject to confirmation by the parties.
32. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance payment) Rs. Nil (Previous year Rs. Nil)
33. Deposits include National Savings Certificates and Post Office Savings Deposit pledged with:
- Commercial Tax Authorities Rs. 10, 000/- (Previous year Rs. 10, 000/-)
  - Mining Licensing Authorities Rs. 105, 000/- (Previous year Rs. 105, 000/-)
34. Based on market value of the Company's investments as on 31.3.2014, there was no demerit in value of shares and hence no provision for the same has been made in the accounts.
35. 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.	3,70,000 (Equity)	43.40
Chandil Industries Ltd.	4,00,000 (Preference)	400.00

**NOTES ON FINANCIAL STATEMENTS**

36. 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.
37. 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 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 No . 4.5 to 4.8 of FSA dated 29.04.2008 entered with them and it accordingly raised on CCL 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. The company has claimed further interest on the same for the Accounting Year 2013-14 amounting to Rs.69,88,727/- and the same shall also be accounted for on actual receipt basis.
38. 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 Rs20000/- (previous year Rs20000/-). The committed lease rentals in the future are:

	<b><u>As At 31.03.14</u></b>	<b><u>As At 31.03.13</u></b>
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.14,20,000	Rs.14,40,000

**NOTES ON FINANCIAL STATEMENTS**

	Year ended March 31, 2014	Year ended March 31, 2013
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39. 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 :**

	<u>Amount(Rs.)</u>	<u>Amount(Rs.)</u>
Iron Ore	61,388,943	218,983,462
Iron Ore Pellet	7,062,151	43,423,521
Coal	59,649,157	179,562,397
Dolomite	683,272	2,040,187
	<u>128,783,523</u>	<u>444,009,567</u>

	<u>Sales Value</u>	<u>Closing Inventory</u>	<u>Opening Inventory</u>
	Rs	Rs	Rs
<b>(b) Manufactured goods :</b>			
Sponge Iron	149,452,414	13,452,960	12,887,878
	(557,660,846)	(12,887,878)	(16,599,211)

**(c) Work in Progress**

Sponge Iron WIP	326,099	199,155
	(199,155)	(302,644)

	<u>Purchase Rs</u>	<u>Sales Rs</u>
<b>(d) Traded goods</b>		
Coal	5,003,297	4,617,984
	( -- )	( -- )

Note : Figures in brackets represent previous year figures.

(ii) Value of imports calculated on CIF basis during the financial year in respect of :-

i) Raw Materials	NIL	NIL
ii) Components and Spare Parts	NIL	NIL
iii) Capital goods	NIL	NIL

(iii) Expenditure in foreign currencies :

Travel Expenses	161,012	445,706
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(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 :

i) Export of goods calculated on F.O.B. basis	NIL	NIL
ii) Royalty, knowhow, professional and consultation fees	NIL	NIL
iii) Interest and dividend	NIL	NIL
iv) Other income	NIL	NIL

40. 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.

Place : Kolkata  
Dated : 30th May 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

PURANMAL AGARWAL : Chairman  
DALBIR CHHIBBAR : Managing Director  
SHIBANI SANKAR MISHRA : Chief Financial Officer

## **ASHIRWAD STEELS & INDUSTRIES LTD**

**Regd. Office :** 6 Waterloo Street, 5<sup>th</sup> Floor, Suite No. 506, Kolkata – 700 069

**Corporate Identification No. (CIN) :** L51909WB1986PLCO40201

### **Attendance Slip**

[To be presented at the entrance duly signed]

28<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 22<sup>nd</sup> September, 2014 at 10.30 a.m. at  
6, Waterloo Street, 5<sup>th</sup> Floor, Suit No. 506, Kolkata-700069.

Folio No.....DP Id No. .... Client ID .....

Name of the Member.....Signature.....

Name of Proxy Holder.....Signature .....

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

<b>Electronic Voting Sequence Number (EVSN)</b>	<b>User ID</b>	<b>Password</b>
140804021	Please refer to Note No. 9 in the Notice of the AGM	

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## Proxy Form [MGT-11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies[Management and Administration) Rules,2014]

**Name of the member (s)** :

**Registered Address** :

**Email Id** :

**Folio No./Client Id No.** :

I/We, members of Ashirwad Steels & Industries Limited holding equity shares of Rs. 10/- each hereby appoint:

- |                           |                  |
|---------------------------|------------------|
| <b>1. Name</b>            | <b>Email Id</b>  |
| <b>Registered Address</b> |                  |
| <b>Or failing him</b>     | <b>Signature</b> |
| <b>2. Name</b>            | <b>Email Id</b>  |
| <b>Registered Address</b> |                  |
| <b>Or failing him</b>     | <b>Signature</b> |
| <b>3. Name</b>            | <b>Email Id</b>  |
| <b>Registered Address</b> |                  |
|                           | <b>Signature</b> |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th General Meeting of the Company to be held on Monday, the 22nd September, 2014 at 10:30 a.m. at 6, Waterloo Street, 5th Floor, Suit No.- 506, Kolkata-700069 and at any adjournment thereof in respect of such resolutions as are indicated below:

**As Ordinary Business:**

1. Adoption of Financial Statements for the year ended 31st March, 2014 together with the Directors' Report & Auditors' Report.
2. Re-appointment of Mr. Puranmal Agarwal & Mr. Yudhbir Chhibbar as Directors who retires by rotation.
3. Appointment of Auditors & fixing their remuneration.

**As Special Business :**

**a. Ordinary Resolution :**

4. Re-appointment of Mr. Dalbir Chhibbar as Managing Director of the Company effective from 17th May, 2014 to 16th May, 2019.
5. Ratification of Mr. Pravin Chhabra as an Independent Director of the Company.
6. Ratification of Mr. Lalit Kishore Choudhury as an Independent Director of the Company.
7. Ratification of Mr. Tapas Datta as an Independent Director of the Company.
8. Ratification of M/s. Shahzad & Co., Cost Accountants, for Cost Audit of the Company for the Financial Year 2014-15 at a remuneration of Rs. 10,000/- (Rupees Ten Thousand only)



**b.Special Resolution :**

9. Adoption of New Articles of Association of the Company containing regulations in conformity with the New Companies Act, 2013.
10. Authorisation to Board to sell, lease or dispose off, in full or in part, Company's Gas Bottling Plant at Raigarh, Chhattisgarh and Sponge Iron Plant at Ghamaria, Jamshedpur and utilize the sale proceeds for working capital or for investments permitted under the provisions of the Companies Act, 2013.
11. Authorisation to Board under Section 186 of the Companies Act, 2013 to give loans at such interest rates which are not less than as prescribed under Section 186(7) of the Companies Act, 2013 or acquire by way of subscription, purchase or otherwise the securities of Body Corporates provided the aggregate amount of loans and Investments shall not exceed Rs.50 crores (Rupees Fifty Crores only) and further, empowering the Board to delegate aforementioned powers to Managing Director and/or any Director of the Company severally or jointly.
12. Authorisation to Board under the provisions of Section 180 of the Companies Act, 2013 to borrow money from time to time which may exceed the aggregate of paid-up capital and its free reserves, i.e. to say reserves not set apart for any specific purpose, provided the amount so borrowed by the Board shall not exceed the limit of Rs.150 crores (Rupees one hundred fifty crores only) and such borrowings could be in the form of loans, bank guarantee, letter of credit or overdraft availed against Company's own Fixed Deposit/s with banks to be used either for the existing business or for any future diversified business that the Board may decide to initiate in the interest of the Company.

Signed this.....Day of ..... 2014

Signature of the Shareholder.

Signature of Proxyholder(s)

Affix  
Revenue  
Stamp

**Notes:**

- 1.This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 6, Waterloo Street, 5th Floor, Suit No.-506, Kolkata-700069, not less than 48 hours before the commencement of the meeting.
- 2.Those Members who have multiple folios with different joint-holders may use copies of this Attendance Slip/Proxy.