



ASHIANA ISPAT LIMITED

(An ISO 9001-2015 Company)

Manufacturer: Kamdhenu TMT Bars



2020-21
29th Annual Report



Corporate Information

BOARD OF DIRECTORS

| | | |
|--------------------|---|----------------------|
| Shri Naresh Chand | - | Chairman |
| Shri Puneet Jain | - | Managing Director |
| Shri Shashank Jain | - | Independent Director |
| Shri Nitin Jain | - | Independent Director |
| Shri Bharat Monga | - | Independent Director |
| Smt. Shruti Jain | - | Independent Director |

STATUTORY AUDITORS

M/s D V Aggarwala & Co. LLP
Chartered Accountants
22, Arya Samaj Road Sri
Ganganagar, Rajasthan
335001

INTERNAL AUDITOR

Mrs. Ashita Jain
Company Secretary

COST AUDITOR

M/s Mithlesh Gupta & Co.

SECRETARIAL AUDITOR

M/s Bir Shankar & Co.
G-3/5 & 6, III Floor, Sec - 16, Rohini,
New Delhi - 110089

BANKERS

State Bank of India
G -29 TO G-34, PLOT NO. 1,2,3 NDM-II,
NETAJI SUBHASH PLACE
PITAMPURA, NEW DELHI-110034

Yes Bank
Ground Floor, C-66,
Kirti Nagar, New Delhi- 110015

CORPORATE OFFICE

908-910, Pearl Best Height-II,
Netaji Subhash Place,
Pitampura, New Delhi- 110034

COMPANY SECRETARY & COMPLIANCE OFFICER

Harun Rashid Ansari

REGISTERED OFFICE & WORK

A-1116, Phase-III, RIICO Industrial
Area, Bhiwadi-301019, Distt. Alwar
(Rajasthan) E-mail : ail@ashianaipat.in

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Ltd.
Noble Heights, 1st floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058
Tel : 011 - 4141 0592/93/94

| CONTENT | PAGE NO. |
|-------------------------------------|----------|
| CHAIRMAN'S SPEECH | 1 |
| NOTICE | 5 |
| DIRECTORS' REPORT | 22 |
| ANNEXURE TO DIRECTORS' REPORT | 30 |
| CORPORATE GOVERNANCE | 36 |
| SECRETARIAL AUDIT REPORT | 50 |
| EXTRACT OF ANNUAL RETURN | 53 |
| MANAGEMENT DISCUSSION & ANALYSIS | 62 |
| INDEPENDENT AUDITORS' REPORT | 65 |
| BALANCE SHEET | 73 |
| STATEMENT OF PROFIT & LOSS | 74 |
| CASH FLOW STATEMENT | 89 |
| NOTES ON ACCOUNTS | 91 |

**Chairman Speech**

To,
Shareowners,

It gives me immense pleasure to extend a warm welcome to you all to the 29th Annual General Meeting of your company.

In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circulars issued by the Ministry of Corporate Affairs, AGM is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Before I speak to you about the performance of your company, let me briefly highlight the economic scenario in which your Company is operating.

The recent COVID-19 outbreak has caused extensive disruptions to the entire economy.

The Covid-19 - induced lockdown has come as a big blow to the steel industry. The sales of the first 7 months were disrupted. But from November onwards there has been a consistent demand. Fortunately for Kamdhenu TMT, November and December had recorded the highest sales that we have achieved in the month of entire lock down period. We had anticipated this growing trend in the coming days but return of second massive wave of Covid 19 pandemic jeopardised all expectation.

Though demand was expected to gradually increase but due to the rapid evolution of second wave of Covid 19 pandemic, it is difficult to predict the full economic impact of the pandemic. Economic lockdown had made the situation miserable. The major impact on financial position of the company is being seen in the form of increase in Days Sales Outstanding (DSO) ratios.

Our vision is crystal clear. We have to go ahead and we have to achieve our distinguish goal. Disruptive forces (environmental issues) that caused loss in the year 2019-20 and pandemic COVID 19 that damaged the foundation of business globally could not shook our spirit. In the midst of tsunami we have reorganised our untapped potential and have incorporated it into our business processes. Among the secondary steel producers in the RIICO Industrial Area, we are the first to bring in automation and several other innovations that set new benchmarks for the industry, Ashiana has always been a pioneer in adapting to technological advancements.

Attention Towards Production side

Adaptation of new technology leads to

Substantial Expansion of production capacity: Installed capacity increased from 134000 MT to 240000 MT per annum.

Two new products launched to serve the need of every segment of customers:

(A) KAMDHENU NXT

Kamdhenu Nxt is called the product of the next generation because it has the characteristics to meet the requirements of the new engineered reinforcement structures and smart architectural concepts. Though steel and concrete are two different materials yet they behave as a single unit in reinforcement structure. It happens when concrete grips the steel rebar to form the strongest bond through the unique double rib design of the bar. The CNC notch cutting m/c ensure uniform rib pattern which allows uniform bonding with concrete for the whole structure. Due to uniformity and critically designed ribs, fatigue strength and ductility of Kamdhenu Nxt is much superior to ordinary steel bars. The vital features of this high end interlock steel TMT bar are as follows:

Exclusive double angle rib design: For a stronger interlock bond

2.5 times stronger bond strength between steel and concrete: To give more strength to the structure

Advanced earthquake resistance: Ensuring the safety and security of the building and structure

Superior thermal resistance: To resist the heat flow in the constructed building

Better corrosion resistance: To guarantee longer life span of interlock steel TMT bar due to good anti-corrosion qualities

High ductile strength: To make certain unbreakable flexibility assuring better application

Extensive application range: Right chemical and physical properties make it suitable for maximum reinforcement structures

Compatible with skyline structures: Well-suited for strengthening new-age high-rise buildings

Extremely economical: To make innovational products available for all without compromising the quality

**(B) KAY2 XENOX**

Its compact rib pattern offers a Hexagonal Molecular Bonding and adds longevity to the structure. The total of the internal angles of a hexagon is 720-degree meant for an all-round bonding with the cement to last any after effect of earthquake, corrosion and fire. Hexagonal Molecular Bonding has high bond energy compared to seismic energy. The unique pattern of KAY2 XENOX bar improves the development and splice strength of reinforced steel. This helps the reinforcing steel bar in any structure to stay immune to the damage during an earthquake. Also, Hexagonal Molecular Bonding decreases the corrosion rate in reinforced concrete with its innovative rib pattern and showcases an exceptional combination of Strength, Ductility & Bonding suitable for skyscraper construction.

KAMDHENU NXT AND KAY2 XENOX aspires to occupy a preeminent position in the steel industry by achieving manufacturing excellence and having a consistently satisfied customer base. Automation of plants will reduced the production costs to the extent of Rs.150 to 200/- Per ton.

We have optimistic approach to deal with the challenges thrown by the pandemic time. Apart from the enhancement of production and increasing the market share by launching KAMDHENU NXT AND KAY2 XENOX we are giving proper attention in bringing Days Sales Outstanding (DSO) rations within the standard bench mark of the industry.

Swift action by our Governments to introduce financial assistance measures has cushioned the initial shock for many citizen and corporate citizen and helped keep the country operating. At Ashiana, we also acted quickly to put in place hardship provisions to help our members cope with the pandemic impacts.

Ashiana Ispat is planning for a lengthy period of subdued economic activity. However, we remain optimistic that we will rise to the challenge of COVID and continue to prosper. We have faced many periods of adversity in the year 2020-21 history, and the strength of our organisation and our absolute commitment to our members has seen us weather every storm that has come our way. COVID will be no exception.

We are hopeful that the measure taken by us will improve the overall performance of the company.

Acknowledgement

On behalf of the Board of Directors, I sincerely thank the shareholders, customers and all stakeholders for their continued support in the Company's future endeavours. I would like to place on record the sincerity, hard work, commitment and dedication of the employees.

I also express my sincere thanks to State Bank of India, Yes Bank and Institutions for the support and coordination given to the company regularly. It will certainly be our



endeavour to put in our best efforts for sustained growth, expansion and prosperity of the Company benefitting all stakeholders.

I look forward to seeing you in person at the next year AGM.

Thank you and Jai Hind!

Naresh Chand
Chairman
DIN: 00004500

**NOTICE**

Notice is hereby given that the 29th Annual General meeting of the shareholders of Ashiana Ispat Limited ('AIL' or the 'Company') will be held on Thursday, 23rd day of September 2021 at 11.00 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following:

ORDINARY BUSINESS:

1. To consider and adopt the standalone financial statements of the Company for the financial year ended 31 March 2021, together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mr. Puneet Jain (DIN: 00814312), who retires by rotation in terms of section 152 (6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Puneet Jain (DIN: 00814312) as Managing Director of the Company for a period of three years with effect from 1 June 2021**

To consider, and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded for re-appointment of Mr. Puneet Jain (DIN: 00814312) as Managing Director ('MD') of the Company for a three year term commencing from 01.06.2021 till 31.05.2024, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits as prescribed in Section II and III of Part II of Schedule V of the Act and in the agreement entered into between the Company and MD, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.



RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to revise the remuneration of MD from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

4. Re-appointment of Mr. Naresh Chand (DIN: 00004500) as Executive Director of the Company for a period of three years

To consider, and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 196 & 197 of the Companies Act, 2013 read with Part I and Section II and Section III of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made there under, as proposed and recommended by the Nomination and Remuneration Committee the consent of the members be and is hereby accorded for re-appointment of Mr. Naresh Chand (DIN: 00004500) as Executive Director cum Chairman of the company, liable to retire by rotation of Directors, effective from the date of approval of shareholders in their Annual General Meeting as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") of Rs. 2,00,000/- (Rupees Two lacs) per month, for a period of three years from the date of the conclusion of the 29th Annual General Meeting.

RESOLVED FURTHER THAT the above remuneration to be paid to Mr. Naresh Chand, shall be subject to the overall maximum managerial remuneration ceiling as per the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time.



RESOLVED FURTHER THAT the other terms and conditions of appointment of Mr. Naresh Chand (DIN: 00004500), will remain unaltered.

RESOLVED FURTHER THAT Mr. Puneet Jain, Managing Director and/or Mr. Harun Rashid Ansari, Company Secretary of the Company be and is hereby severally authorised to file the necessary e-forms with Registrar of Companies, Rajasthan and to do all such acts and deeds as may be required to give effect to the above resolution."

5. Appointment of Ms. Anu Bansal as Executive Director

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 196 & 197 of the Companies Act, 2013 read with Part I and Section II and Section III of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made there under, as proposed and recommended by the Nomination and Remuneration Committee, the consent of the Members of the Company be and is hereby accorded for appointment of Mrs. Anu Bansal (DIN: 09205586) as Whole Time Executive Director of the company, liable to retire by rotation of Directors, on gross monthly remuneration of Rs. 30,000/- (Rupees Thirty thousand) per month, for a period of Five years from the date of the appointment.

RESOLVED FURTHER THAT the above remuneration to be paid to Ms. Anu Bansal, shall be subject to the overall maximum managerial remuneration ceiling as per the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the other terms and conditions of appointment of Ms. Anu Bansal (DIN: 0009205586), will remain unaltered.

RESOLVED FURTHER THAT Mr. Puneet Jain, Managing Director and/or Mr. Harun Rashid Ansari, Company Secretary of the Company be and is hereby severally authorised to file the necessary e-forms with Registrar of Companies, Rajasthan and to do all such acts and deeds as may be required to give effect to the above resolution."

6. Remuneration of M/s. Mithlesh Gupta & Co., Cost Auditors of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder (including



any statutory modification(s) or re-enactments thereof, for the time being in force) the consent of the Company be and is hereby accorded for payment of remuneration of Rs.25,000/- (Rupees Twenty five thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company for the financial year 2021-22 as may be applicable to the Company to M/s. **Mithlesh Gupta & Co.**, Cost Accountants who were appointed as Cost Auditors of the Company by the Board of Directors at its meeting held on June 30, 2021".

Registered Office:

A-1116, Phase-III, RIICO Industrial Area,
Bhiwadi-301019, District-Alwar, Rajasthan
Date: June 30, 2021

By Order of the Board

Naresh Chand
Chairman
DIN: 00004500

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020, further extended by circular dated January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020, which was also simultaneously extended by the circular dated January 15, 2021, permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e- AGM'.
2. The deemed venue for 29th e-AGM shall be the registered office of the Company
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be