

ASHIANA ISPAT LIMITED

7th

Report  Junction.com

Annual Report

1998-99

BOARD OF DIRECTORS

- | | |
|-------------------------------|-----------------------|
| 1. Shri Naresh Chand | - Managing Director |
| 2. Shri Sunil Kumar Aggarwal | - Whole Time Director |
| 3. Shri Pearey Lal Gupta | - Director |
| 4. Shri Satish Kumar Aggarwal | - Director |
| 5. Shri Sukhbir Singh Jain | - Director |
| 6. Shri Sanjay Jain | - Director |
| 7. Shri Pradeep Aggarwal | - Director |
| 8. Shri Neeraj Jain | - Director |

COMPANY SECRETARY

Shri Md. Harun Rashid Ansari

REGISTERED OFFICE & WORKS

A-1116, Phase-III, RIICO Industrial Area,
Bhiwadi-301019, Distt. Alwar (Rajasthan)

CORPORATE OFFICE

633, Pocket C-8, Sector-8
Rohini, Delhi - 110085

SOILCITOR & ADVOCATE

A.K. Shrivastava

AUDITORS

M/s. S. Singhal & Company
Chartered Accountants
E-127, Industrial Area,
Bhiwadi, Distt. Alwar (Rajasthan)

BANKERS

State Bank Of Bikaner & Jaipur
Kamal Cinema Building
Safederjung Enclave
New Delhi - 110 029

ASHIANA ISPAT LIMITED *Secretary*

NOTICE

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the members of the Company will be held on Thursday, the 30th September 1999 at 11.30 A.M. at the RHICO Rest House, Hill Top, Bhiwadi, Dist. Alwar, Rajasthan to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with reports of Auditor's and Director's thereon.
2. To appoint a Director in place of Sri Pearey Lal Gupta Who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Sanjay Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration. M/s S. Singhal & Co., Chartered Accountants, Bhiwadi retire at the Annual General Meeting and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass, with or without modification, the following resolution as ordinary resolution:**
 "RESOLVED THAT pursuant to the provision of Sections 198, 309, 310 & Schedule XIII of the Companies Act, 1956 and all other applicable Rules and Regulations made thereunder, consent of the Company be and is hereby accorded to increase in the remuneration of Sri Naresh Chand, Managing Director of the Company, with effect from 01.04.99 in accordance with the revised terms and conditions untill further revised by the Board of Directors."

REMUNERATION PACKAGE

Salary Rs. 20000.00 PM

Perquisite :- He will be entitled to the following perks in addition to Salary :-

- (a) **Company's contribution towards Provident Fund -**
 Whenever become applicable as per the rules of the Company subject to a ceiling of 12 % of Salary as laid down in the Income Tax Rules, 1961.
- (b) **Club Fees :-**
 Fees of club subject to maximum of two clubs. This will not include admission and life membership fees.

(c) Car & Telephone Facility :-

Provision of Car for use on Company's Business and Telephone at residence for Company's Business only. Personal long distance calls and use of Car for personal use shall be paid by the Managing Director.

6. **To consider and if thought fit, to pass, with or without modification, the following resolution as ordinary resolution :**

"RESOLVED THAT pursuant to the provision of Sections 198, 309, 310 & Schedule XIII of the Companies Act, 1956 and all other applicable Rules and Regulations made thereunder, consent of the Company be and is hereby accorded to increase in the remuneration of Sri Sunil Kumar Agarwal, Whole Time Director of the Company, with effect from 01.04.99 in accordance with the revised terms and conditions untill further revised by the Board of Directors."

REMUNERATION PACKAGE

Salary Rs. 20000.00 PM

Perquisite :- He will be entitled to the following perks in addition to Salary :-

- (a) **Company's contribution towards Provident Fund -**
 Whenever become applicable as per the rules of the Company subject to a ceiling of 12 % of Salary as laid down in the Income Tax Rules, 1961.
- (b) **Club Fees :-**
 Fees of club subject to maximum of two clubs. This will not include admission and life membership fees.
- (c) **Car & Telephone Facility :-**
 Provision of Car for use on Company's Business and Telephone at residence for Company's Business only. Personal long distance calls and use of Car for personal use shall be paid by the Whole Time Director.

7. **To consider and if thought fit, to pass, with or without modification, the following resolution as special resolution :**

"RESOLVED THAT in supersession of all the earlier resolutions passed by the shareholders in their meeting consent of the Company, subject to the provisions of Section 372(A) of the Companies Act, 1956 and all other Rules & Regulations made thereunder be and is hereby accorded to the Board of Directors for (a) making any loan to any other body corporate (b) giving any guarantee or provide security, in connection with a loan made by any other person to, or to any other person by any body corporate and (c) acquiring by way of subscription, purchase or otherwise the securities of any other body corporate, on behalf of the Company from time to time on such terms & conditions as the Board may think fit, notwithstanding that the loan, investment, guarantee or securities proposed to be made or given together with loan and invest-

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ment so far made and the amount for which guarantee so far provided to or in all other bodies corporate, will or may exceed 60% of the aggregate for the time being of the paid-up Capital of the Company and its free reserves."

8. To consider and if thought fit, to pass, with or without modification, the following resolution as special resolution :

"RESOLVED THAT in supersession of all the earlier resolutions passed by the shareholders in their meeting consent of the Company, subject to the provisions of Section 293(1)(d) of the Companies Act, 1956 and all other Rules & Regulations made thereunder, be and is hereby accorded to the Board of Directors for borrowing for and on behalf of the Company from time to time any sum or sums of monies on such terms & conditions as the Board may deem fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed in the aggregate for the time being of the paid-up Capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose provided that the total amount borrowed shall not at any time exceed Rs. 200 Lakhs (Rupees Two Hundred Lakh Only) over and above the aggregate of the paid-up Capital of the Company and its free reserves."

9. To consider and if thought fit, to pass, with or without modification, the following resolution as special resolution :

"RESOLVED THAT pursuant to provisions of Section 314 (1B) of Companies Act, 1956 and other applicable provisions made thereunder, consent of the Company be and is, hereby accorded to pay the revised remuneration w.e.f. 01.04.99 at a monthly gross remuneration of Rs. 15000.00 (Rupees Fifteen Thousand Only) plus other perquisites as applicable to the senior staffs of the Company to Smt. Geeta Agarwal, Marketing Manager who is the relative of Sri P. L. Gupta, Sri Pradeep Kumar Agarwal, Directors and Sri Sunil Kumar Agarwal, Whole Time Director of the Company with effect from 1st April, 1999."

Place : Bhiwadi

(NARESH CHAND)

Date : 02nd August, 1999

Managing Director

NOTES

1. Relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is appended herebelow.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
3. The Register of Members and Share Transfer books of the Company shall remain closed from 25th September to 27th September'1999 (both days inclusive).
4. Member seeking further information about the Accounts are requested to write to the Registered Office of the Company at least one week before the date of the meeting so that it may be convenient to get the information ready at the meeting.
5. Members are requested to bring their copy of Annual Accounts at the meeting. Extra copies will not be provided at the meeting.
6. Shareholders are requested to notify to the Company any change in the address quoting their folio numbers to the Registered Office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

Despite of all around recession in the re-rolling of MS Steel industries, your Company under the dynamic leadership of Shri Naresh Chand, Managing Director, shown positive growth and turnover has been increased by 39% from the turnover of the last financial year 97-98 .

The Board of Directors, appreciating the valuable services being rendered by him, in their meeting held on 30.03.99 revised the remuneration package in pursuant of the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956 and any rules and regulations made thereunder with effect from 01.04.99 subject to the condition that revised remuneration package being paid from 01.04.99 must be approved by shareholders in their Annual General Meeting and he will continue to draw the revised remuneration untill further revised by the Board of Directors.

Sri Sukhbir Singh Jain, Sri Sanjay Jain and Sri Neeraj Jain are related to Mr. Naresh Chand may deemed to be concerned or interested in this item of business and your Board recommends your accord to the proposal

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in the interest of the Company. The Board of Directors of your Company recommends this resolution for your approval.

This should be considered also as an abstract of variation in the items of remuneration of the aforesaid Managing Director and a memorandum as to the nature of the concern or interest of the Directors in the said variation as required under section 302 of the Companies Act, 1956.

ITEM NO. 6

Board of Directors in their Meeting held on 30.03.99 appreciated the services being rendered by Shri Sunil Kumar Agarwal Whole-Time Director of the Company and stated that During his tenure, growth of the company has been noticed and therefore, decided to revise the remuneration package in pursuance of the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956 and any Rules and Regulations made there-under with effect from 01.04.99 subject to the condition that revised remuneration package being paid from 01.04.99 must be approved by shareholders in their Annual General Meeting and he will continue to draw the revised remuneration until further revised by the Board of Directors.

Sri P.L. Gupta, Sri Satish Kumar Agarwal, and Sri Pradeep Kumar Agrawal, Directors are related to Mr. Sunil Kumar Agarwal deemed to be concerned or interested in this item of business and your Board recommends your accord to the proposal in the interest of the Company. The Board of Directors of your Company recommends this resolution for your approval.

This should be considered also as an abstract of variation in the items of remuneration of the aforesaid Whole Time Director and a memorandum as to the nature of the concern or interest of the Directors in the said variation as required under section 302 of the Companies Act, 1956.

ITEM NO. 7

Keeping in view of the changes in economic scenario and all around recession in the Capital and money market it was felt necessary that Board of Directors of the Company should be empowered to make loans, investment, give guarantee and provides securities as specified in item no. 7 of the Notice to utilise the surplus funds, if any, in the hands of the Company in its interest.

However necessary special resolution has already been passed by you under this Section but some changes has been brought under new section 372(A) of the companies Act, 1956, therefore, this resolution mentioned in item no. 7 of the Notice is proposed to be passed and recommended for your acceptance.

None of the Directors of the Company is any way concerned or interested in this resolution except as a member of the Company.

ITEM NO. 8

In order to provide additional funds that will be needed for future expansion and diversification activities of the Company, the sanction of the members u/s 293(1)(d) of the Companies Act, 1956 is sought to authorise the Board of Directors of the Company to borrow money, in excess of the paid-up Capital and free reserves of the Company. This is permissible under the Companies Act, 1956, if the shareholders approve the resolution.

None of the Directors of the Company is in any way concerned or interested in resolution, except as a member of the Company.

The Directors recommend this resolution for your approval.

ITEM NO. 9

Smt. Geeta Agarwal, Marketing Manager, is a qualified person having very rich and successful carrier behind her and is very much familiar with the nature of business being carried on by our Company. Your Directors are confident that inclusion of Smt. Geeta Agarwal in senior cadre of your Company, will be beneficial for the marketing purpose. Your Directors in their meeting decided to revise her remuneration as given in item no. 9 of the notice subject to your approval because as per the provision of Section 314 (1B) no relative of a Director could hold any office or place of profit in the Company which carry a total monthly remuneration of not less than of Rs. 10,000.00 (Rupees Ten Thousand Only) except with the consent of the Shareholders.

None of the Directors, except Sri Pearley Lal Gupta, Sri Satish Kumar Agarwal, Sri Pradeep Kumar Agarwal, Sri Sunil Kumar Agarwal are directly or indirectly interested in the aforesaid resolution and recommends for your acceptance in the interest of the Company

By order of the Board
for ASHIANA ISPAT LTD.

Place : Bhiwadi
Date : 02nd August, 1999

(NARESH CHAND)
Managing Director

ASHIANA ISPAT LIMITED**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 7th Annual Report and audited Annual Accounts of the company for the Financial Year ended 31st March, 1999.

Financial Results :-

The summarised financial results for the period ended 31st March 1999 are as follows:

	(Rupees in Lac)			
	1998-99		1997-98	
Total Income	3024.36		2295.36	
Profit Before Interest And Depreciation	86.52		65.52	
Interest	35.18		28.02	
Depreciation	30.32	65.50	24.57	52.59
Profit/(Loss) for the year before tax	21.20		12.93	
Balance (Cr.) brought forward From the previous year	(46.09)		(59.02)	
Balance (Dr) carries to Balance Sheet	(27.03)		(46.09)	

Dividend :

Boards of Directors reviewing the financial position of the Company decided to retain the profit earned during the year under review in the better prospect of the Company.

Operation :

Our turnover for the period ended 31st March 1999 was Rs. 3066.61 Lacs (Rs. Three Thousand Sixty Six Lac and Sixty One Thousand) Which is 39% (Thirty Nine) more than the preceding year turnover and earned profit of Rs. 86.52 Lacs (Eighty Six Lac Fifty Two Thousand) before charging depreciation & interest.

Within a very short period after taking over the management from the earlier promoter, your Company has succeeded to establish its reputation and today demand of our product is more than our production. To meet the demand of the market all possible steps are being taken to maximize the production and now we are sure that in near future your Company will emerge as a big player in the Steel market.

As per the accounting standards suggested by ICAI the basis of valuation of finished goods has been changed from net relisable value to cost or market price whichever is less basis.

DIRECTORS :

Board of directors in their meeting held on 30.03.1999 revised the remuneration of Shree Naresh Chand, Managing Director and Shree Sunil Kumar Agarwal, Whole Time Director in term of Section-198,309,310 and Schedule XIII of the Companies Act,1956 and all other Rules and Regulation made thereunder and subject to approval of

shareholders , therefore Board recommend your accord to the proposal in the best interest of the Company.

Shree Pearley Lal Gupta and Sri Sanjay Jain Directors retire by rotation and are eligible for re-election.

FIXED DEPOSIT

During the Financial Year under Report, the Company did not invite and accept any fixed deposits in terms of Section 58A of the Companies Act, 1956 and the rules made there-under.

Auditors:

M/s S. Singhal & Company, Chartered Accountants, the statutory auditors of the Company, shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Particulars of Employees :

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975.

Conservation of Energy Technology absorption and Foreign Exchange earning and outgo :

The Plant & Machinery installed by the Company have the unique features of achieving the optimum level of production with lesser consumption of energy. Your Company shall also strive to install energy saving equipment wherever necessary in future. The Particulars required to be furnished pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given Annexure "A". The Company has neither earned nor utilised any Foreign Exchange during the year under review.

Industrial Relation :

The industrial relation remained cordial through out the year and the excellent results were achieved with wholehearted co-operation of employees at all levels.

Acknowledgement :

Your Directors are grateful to the Central Government, State Government, Banks, Shareholders and all other business constituents for the valued co-operation and support extended to the Company during the year under review.

Yours Director wish to place on record that your Company could achieve satisfactory performance due to the continuous and unstinted co-operation from its loyal, dynamic, dedicated and highly motivated executives, staff and workers.

for and on behalf of Board

Place : Bhiwadi
Date : 02.08.99

(Naresh Chand)
Managing Director