



Ashiana Ispat Limited

(AN ISO 9001-2013 COMPANY)

21st Annual Report

2012-2013

BOARD OF DIRECTORS

1. Shri Sukhbir Singh Jain	-	Chairman
2. Shri Naresh Chand	-	Managing Director
3. Shri Neeraj Kumar Jain	-	Whole Time Director
4. Shri Sanjay Kumar Jain	-	Whole Time Director
5. Shri Puneet Jain	-	Whole Time Director
6. Shri Ram Kumar Garg	-	Director
7. Shri T. C. Kansal	-	Director
8. Shri Rajesh Kumar Pal	-	Director
9. Shri Rajender Prasad Bansal	-	Director

COMPANY SECRETARY

Harun Rashid Ansari

REGISTERED OFFICE & WORK :

A-1116, Phase-III, RIICO Industrial Area,
Bhiwadi-301 019, Distt. Alwar (Rajasthan)
E-mail : ashianagroup@yahoo.co.in

CORPORATE OFFICE :

C-9/36, Sector-8,
Rohini, Delhi-110 085

AUDITORS :

M/s S. Singhal & Company
Chartered Accountants
E-127, Industrial Area,
Bhiwadi-301 019, Distt. Alwar (Rajasthan)

SECRETARIAL AUDITORS :

M/s Bir Shankar & Co.
G-6/77, Sector-16, Rohini,
New Delhi-110089

SHARE TRANSFER AGENT :

Link Intime India Private Ltd.
44, Community Centre,
Naraina Industrial Area, Phase-I,
Near PVR Cinema, New Delhi-110028
Ph-011-41410592-94

BANKERS :

State Bank of Bikaner & Jaipur
A-1/19,
Safderjung Enclave,
New Delhi-110029

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MANAGING DIRECTOR'S MESSAGE



Naresh Chand Jain, Managing Director

Dear Shareholders,

It is my pleasure to present the 21st Annual Report of the Company.

We would like to share that the economic outlook for the world economies including India remained in grim in the last year. In such downtrend market we continue to be sanguine about emerging stronger from the situation like we have in the past and are confident of creating sustainable value for our shareholders in the coming year.

For more than twenty years of our presence in the iron and Steel industry we have fostered long term, deep-seated relationships based on trust, integrity, mutual respect and value creation for customers. The macroeconomic and industrial scenario in the country during the year under review has been extremely challenging. Financial year 2012-13 was a year of great contrast and has been a challenging year with unprecedented uncertainty. The Indian Economy has moved a slower growth phase reflecting the impact of continued monetary tightening. The year has witnessed a rising inflation, depreciating currency, rising cost of inputs coupled with purchasers resistance to price increase that has impacted the company's overall profitability margins.

Company's Performance

Performance of the year ended March, 2013 was adversely impacted due to higher cost of inputs like Ingots, Billets, coal and sponge iron. Ashiana has recorded gross revenue of ` 30194.51Lacs. The profit after tax of the Company declined to ` 14.50 Lacs due to higher rates of Interest.

An environment of reducing GDP growth, high interest rates and persistent inflation has put considerable pressure on your Company's performance with sales and profits not growing during this period.

It is a matter of satisfaction that your Company continues to grow its production volumes despite rising input costs, a validation of strong demand for its products.

Opportunity:

Compared to the global average, per capita consumption of steel is around 150 Kgs, whereas in India per capita consumption of steel is merely at 39 Kgs. Even in comparison with the Asian Standard we have a long way to go in the consumption of steel.

The biggest opportunity before Indian Steel Sector is that there is an enormous scope for increasing consumption of steel in almost all sectors in India. We have rich mineral resources having abundance of iron ore, coal and many other raw materials required for iron and steel making. The Indian sector remains fairly unexposed. There is a need to take forceful steps to penetrate the rural remote area.

Your Company is very firm in deploying its investments in the areas where it has expertise. We are focused on moving up the value and growth curve by manufacturing value-goods and by building our product capabilities.

Our people

Your Company recognizes the fact that manpower is its biggest strength and their proper nurturing is necessary for the success of the organization. As the Company is growing, more and more emphasis is given to the recruitment process and your Company has been successful in attracting the best professional talent.

If the employee finds his work challenging, efforts worthwhile, and rewards commensurate, he is likely to give his best for mutual benefit and prosperity. Ashiana prides itself in having a tradition of cordial employee relations in co-ordination with industrial harmony. The set-up in Ashiana ensures a congenial environment built upon a strong foundation of motivation and mutual trust.

Acknowledgement:

Before I conclude, I would like to express my sincere appreciation to our shareholders for the support and confidence reposed in us. We look forward for their continued association with the company.

I assure that our co-operation will help us to scale new heights and eventually serving the society in a better way. I thank you all for giving us an opportunity to help Ashiana grow as a successful organization.

Sd/-

(Naresh Chand)

Managing Director

NOTICE TO MEMBERS

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Shareholders of ASHIANA ISPAT LIMITED will be held on Monday, the 30th day of September, 2013 at 11.30 A.M. at the Registered Office of the Company at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019 Dist. Alwar-Rajasthan, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sukhbir Singh Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ram Kumar Garg who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and fix their remuneration. M/s S. Singhal & Company, Chartered Accountants, Bhiwadi, who 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(S), the following resolution as a Special Resolution.**

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of Central Government, if required, the Company hereby approves the re-appointment of Mr. Neeraj Kumar Jain as the

Managing Director (Works) of the Company for a period of five years w.e.f.21.01.2013 at a remuneration as detailed below.

- i. Salary: Rs.1,20,000/- per month
- ii. Perquisites might be provided in addition to salary. Perquisites so paid shall be valued in terms of actual expenditure incurred by the Company. However, in cases where the actual amount cannot be ascertained with reasonable accuracy, the perquisites shall be valued as per Income Tax Rules:

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family as per the rules of the Company.

b) Leave Travel**Concession/Allowance**

For self and family, once in a year in accordance with rules of the Company.

c) Club Fees payable as per the rules of the Company**d) Provident Fund, Pension Fund and Superannuation Fund** Company's Contribution to these funds are as per the rules of the Company.**e) Gratuity** is payable as per the rules of the Company.**f) Car Use** of Company's Car with driver for business/official purposes.**g) Telephone**

Free Telephone / Communication facilities at residence for business purposes.

RESOLVED FURTHER THAT abovementioned remuneration specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or

agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may be made hereafter by the Central Government or as may be agreed to between the Board of Directors and Mr. Neeraj Kumar Jain.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to take steps as may be necessary to give effect to the above Resolution."

6. To consider, and if thought fit, to pass, with or without modification(S), the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of Central Government, if required, the Company hereby approves the re-appointment of Mr. Puneet Jain as the Whole Time Director of the Company for a period of five years w.e.f.21.01.2013 at a remuneration as detailed below:

- i. Salary: Rs.1,20,000/- per month
- ii. Perquisites might be provided in addition to salary. Perquisites so paid shall be valued in terms of actual expenditure incurred by the Company. However, in cases where the actual amount cannot be ascertained with reasonable accuracy, the perquisites shall be valued as per Income Tax Rules:

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family as per the rules of the Company.

**b) Leave Travel
Concession/Allowance**

For self and family, once in a year in accordance with rules of the Company.

c) Club Fees payable as per the rules of the Company

d) Provident Fund, Pension Fund and Superannuation Fund

Company's Contribution to these funds are as per the rules of the Company.

e) Gratuity is payable as per the rules of the Company.

f) Car Use of Company's Car with driver for business/official purposes.

g) Telephone

Free Telephone/ Communication facilities at residence for business purposes.

RESOLVED FURTHER THAT abovementioned remuneration specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may be made hereafter by the Central Government or as may be agreed to between the Board of Directors and Mr. Puneet Jain.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to take steps as may be necessary to give effect to the above Resolution."

By Order of the Board
For ASHIANA ISPAT LIMITED

Place: Bhiwadi
Date: 31.05.2013

Sd/-
(Naresh Chand)
Managing Director

NOTES

- [a] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- [b] The instrument(s) appointing the proxy, if any, shall be delivered at the Regd. Office of the Company at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist. Alwar- Rajasthan, not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 2013 to 30th September 2013 (both days inclusive).
- [d] Members are requested to intimate the Registrars and Share Transfer Agents of the Company – M/s. Link Intime India Private Limited of 44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
- [e] Members desirous of having any information regarding Accounts are requested to address their queries to the Manager (Finance & Accounts) at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
- [f] Members holding Share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant Share certificates to the

Registrars and Share Transfer Agents of the Company.

- [g] The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Link Intime Pvt. Ltd.
- [h] Members/Proxies are requested to bring the attendance slip duly filled in.
- [i] As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item numbers 5 and 6 accompanying the notice is as follows:

ITEM NO. 5 and 6

The remuneration committee of the Company at its meeting held on 10th January, 2013 and the Board in their meeting held on the same day have reappointed Mr. Neeraj Kumar Jain as Managing Director (Works) and Mr. Puneet Jain as Whole time Director, unanimously for the further period of five years w.e.f 21.01.2013 subject to the approval of shareholders in General Meeting.

The Managing Director (Works) and Whole time Directors shall, subject to the supervision and control of the Board of Directors be entrusted with such powers and performs such duties as may, from time to time, be delegated/entrusted to them.

Information about appointee

Mr. Neeraj Kumar Jain, a promoter Director having experience of more than 27 years in the

steel industry in different capacities is a Commerce graduate. He has been proved as a pillar of support and strength to the overall management and operations of the Company. His association with the Company helped it to make a brand name in the market.

He looks after the purchasing of raw materials and during his tenure there has been a consistent improvement in the inventory level due to his vast level of knowledge and experience.

Keeping in mind his overall competence and experience, the Board of Directors in their meeting held on 10.01.2013 re-appointed him to the post of Managing Director (Works) w.e.f 21.01.2013.

Mr. Puneet Jain, graduate from Delhi University has been involved with iron & steel industry since the beginning of his career. He has always been instrumental in the development, sales promotion, improvements in the properties of high quality steel. He has substantial expertise in organizational psychology, management and training and retention of staff. He has been actively involved in the implementation of technological advances made in the manufacturing process of the Company.

Under his Directorship, the Company has completed and achieved various plans and targets. His knowledge and experience in the steel sector has been credible in contributing to the growth of the Company.

Other Information

- ☆ Although, the Company's gross revenue has increased but its profitability have fallen down due to the unforeseen market conditions and global economic turmoil.
- ☆ The company is expected to yield better results in the future.

Disclosures

- ☆ The shareholders are being informed about the proposed re-appointment and remuneration package by way of explanatory statement attached to the notice.

- ☆ The terms and conditions of remuneration as set out above may also be treated as an abstract of the agreement between the Company and Mr. Neeraj Kumar Jain, Managing Director (Works) and Mr. Puneet Jain, Whole Time Director pursuant to Section 302 of the Companies Act, 1956.
- ☆ The details of remuneration are also included in Corporate Governance Report forming part of this Annual Report.
- ☆ Mr. Puneet Jain, Mr. Neeraj Kumar Jain, Mr. Sanjay Kumar Jain, Mr. Naresh Chand are relatives. They may be considered as interested in passing the resolution. None of the other Directors are in any way concerned/interested in the above resolution.
- ☆ The Managing Director and Whole-time Director so long as they function in their capacity shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.
- ☆ The Resolution regarding the remuneration of Mr. Neeraj Kumar Jain, Managing Director (Works) and Mr. Puneet Jain as Whole time Director of the Company is concerned for acceptance by the shareholders in their meeting.

By Order of the Board
For ASHIANA ISPAT LIMITED

Sd/-

Place: Bhiwadi
Date: 31.05.2013

(Naresh Chand)
Managing Director

DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present the Twenty First Annual Report of Your Company along with the Audited Accounts for the financial year-ended 31st March, 2013.

STANDALONE FINANCIALS

The financial statements of your Company for the year ended 31st March, 2013 have been prepared in accordance with the Revised Schedule VI. The financial performance of the Company for the year 2012-13 is summarized below:-

Financial results:		` In lacs	
Sl. No.	Particulars	2012-2013	2011-2012
1	Gross Sale	30194.51	30055.08
2	Profit before Depreciation interest and Tax	773.47	1041.12
3	Interest	621.92	543.30
4	Depreciation	139.41	144.69
5	Profit/ (Loss) for the year before tax	12.14	353.13
6	Balance (Cr.) brought forward from the previous year	1410.91	1182.55
7	Balance (Cr.) carried forward to the Balance Sheet	1421.43	1410.91

OPERATIONS

During the year under review, your Company has recorded revenue of ` 30194.51 Lacs thereby increasing by 0.46%, PBT and PAT remains at ` 12.14 lacs and ` 14.50 lacs respectively. The operating profit for the year is ` 773.47 lacs.

The year 2012-13 was a challenging year on account of global economic turmoil, high inflationary conditions, depreciating currency and rising cost of inputs. Profitability of the Company has declined due to the increase in the finance and input cost. Because of the fact that global and domestic economies witnessed

low economic growth during the year, uncertain government policies and adverse Bank Interest rates, the Company's margins have impacted adversely.

DIVIDEND

Keeping in view the current economic scenario and future fund requirements of the company for achieving the long term growth objectives, the Board of Directors has not recommended any dividend.

CAPITAL STRUCTURE

During the year under review, the share capital of your company remained unchanged.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non- Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

Mr. Neeraj Kumar Jain has been re-appointed as Managing Director (Works) w.e.f 21.01.2013. His appointment is subject to the approval by the members in the ensuing General Meeting.

Mr. Puneet Jain has been re-appointed as Whole-time w.e.f 21.01.2013. His appointment is subject to the approval by the members in the ensuing General Meeting.

Retirement by Rotation

Mr. Sukhbir Singh Jain and Mr. Ram Kumar Garg, Directors, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval.

Mr. Sukhbir Singh Jain is the patron of the company and visible source of inspiration. He is the instrumental force behind the success of the company. His immense presence on the Board is sufficient to accelerate the momentum of development. He is the man of vision and having more than 60 years experience of trade.

Mr. Ram Kumar Garg, Engineering graduate having more than 30 years experience. His engineering skills and thought helped the company in backward integration of the plant and implementation of the project.

His presence on the Board is immense beneficial for the company in long run.

AUDITORS

M/s. S. Singhal & Co., Chartered Accountants, of Bhiwadi, Alwar, Rajasthan, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors' if approved.

COST AUDITOR

Your Board has appointed M/s. Sanjay Kumar Garg & Co. as Cost Auditor of the Company in accordance with the provisions of Section 233B of the Companies Act, 1956 read with Cost Accounting Records (Steel Plant) Rules, 1990, The Companies (Cost Accounting Records) Rules, 2011 and The Companies (Cost Audit Report) Rules, 2011 for the financial year 2013-14.

DEPOSITORY SYSTEM

M/s. Link Intime India Private Limited (old name- M/s. Intime Spectrum Registry Limited), 44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028, Ph-011-41410592-94, as per SEBI Guidelines has been working as registrar & share transfer agent of the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your company is doing its best efforts to give high priority to energy conservation by opting for more power efficient replacements.

Particulars of Energy Conservation/ Technology Absorption and Foreign Exchange earnings and out go as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given as an Annexure to this report.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975, are not applicable because none of the Directors or employees of the Company are getting remuneration exceeding the limit prescribed therein.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is fully aware of its responsibility towards society and has focused on ensuring health services to its external community. Ashiana has focused on sustainable development and equitable growth. CSR activities of the Company is focused on Health & Medical care which can be established by its association with Mahaveer International, a premier social organization with an aim to make the Capital Delhi free from Cataract.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Clause 49 of the Listing Agreements with Stock Exchanges, the Management discussion and Analysis Report is enclosed as a part of this report.

DEMATERIALISATION OF SHARES

33.73% of the company's paid up Equity Share Capital is in dematerialized form as on March 31st, 2013 and balance 66.27% is in physical form.

The Company's Registrars are M/s. Link Intime India Pvt. Ltd. 44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028.

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2013-2014 to BSE, where the Company's Shares are listed and complied all the statutory formalities to get the shares delisted from the Magadh Stock Exchange Association Limited, Patna, The Delhi Stock Exchange Association Limited, Delhi, and the Jaipur Stock Exchange Limited, Jaipur.