



ASHIANA ISPAT LIMITED

(AN ISO 9001-2013 COMPANY)



22nd
Annual Report

2013-2014

BOARD OF DIRECTORS

1. Shri Naresh Chand	-	Managing Director
2. Shri Neeraj Kumar Jain	-	Whole Time Director
3. Shri Sanjay Kumar Jain	-	Whole Time Director
4. Shri Puneet Jain	-	Whole Time Director
5. Shri Ram Kumar Garg	-	Independent Director
6. Shri T. C. Kansal	-	Independent Director
7. Shri Rajesh Kumar Pal	-	Independent Director
8. Shri Rajinder Parshad Bansal	-	Independent 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 STATEMENT



Naresh Chand Jain, Managing Director

Dear Shareholders,

WELCOME TO THE 22nd ANNUAL GENERAL MEETING OF ASHIANA ISPAT LIMITED

We draw considerable satisfaction that we have achieved quite a lot during these years and that we have successfully sailed through a period of external and internal challenges through these years.

I am pleased to report that the Company has significantly exceeded expectations and registered a satisfactory performance in 2013-14.

Today the business world thrives as a combination of vice, ambition, passion, and of course, money. Not all of it is bad.

All of us have heard the term "ethics," but how many of us actually understand it? Moreover how many of us actively make it a part of our decision making? Ethics is a set of principles of right conduct.

In this context, I would like to present a very appropriate quote by Gandhiji:

**"Wealth without work, Pleasure without conscience;
Knowledge without character, Business without Ethics;
Science without Humanity, Religion without Sacrifice and
Politics without Principles are deadly Sins."**

Key spiritual values embraced in a business context include integrity, honesty, accountability, quality, cooperation, service, intuition, trustworthiness, respect, justice, and service.

Jainism presents a unique advantage to us, because the fundamentals of Jainism teach how responsibility of a person's actions is one of the keys to a successful life. In today's materialistic world, Sometimes the need to reach a goal outweighs anything else, but at what cost? However, Jains

cannot add to the change until they incorporate ethics into their goals. . At the very least, Jain principles need to be a part of a person's mindset and work, no matter how limited the scope or his/her effect.

Nowadays, People are becoming more aware of the world around them and the profound impacts their decisions have in business, society, the world, and themselves. Reaching a goal involves more than just passion, it needs clarity of mind, confidence in one's self and abilities, rationale of thought, and integrity. Our Jain background is an advantage that we must maximize.

We at Ashiana practices Nishkam Karma which is 'Duty for duty's sake' and as 'Detached Involvement', which is neither negative attitude or indifference; and has today found many advocates in the modern business area where the emphasis has shifted to ethical business practices. Since the central tenet of practicing Nishkam Karma is Mindfulness in the present moment.[13] Over time, this practice leads to not only equanimity of mind as it allows the practitioner to stay detached from results, and hence from ups and downs of business that are inevitable in any business arena, while maintaining constant work commitment since work as now been turned into a personal act of worship.

Company's Performance

Last couple of years has experienced an unprecedented economic turmoil worldwide. In terms of the developed economies, steel industry is not recession proof, but is insulated to some extent than other industries.

It is now my pleasure to present our company's financial results for the year ended 31st March, 2014. Ashiana has recorded a revenue of 29699.68 Lacs. The PBT grew to Rs. 284.63 Lacs from Rs. 12.14 Lacs and PAT grew to Rs. 219.73 Lacs in financial year 2013-14 from Rs. 14.50 Lacs during the previous financial Year. The growth in profits have been driven by volume growth and better realizations from businesses.

In FY 2013-14, the global economy showed signs of recovery with growth in demand from the developed countries in the second half of the year.

Opportunity:

Being a core sector, steel industry reflects the overall economic growth of an economy in the long term. Also, steel demand, being derived from other sectors like automobiles, consumer durables and infrastructure, its fortune is dependent on the growth of these user industries.

The Indian rural sector remains fairly unexposed to their multi-faceted use of steel. The rural market was identified as a potential area of significant steel consumption.

The usage of steel in cost effective manner is possible in the area of housing, fencing, structures and other possible untapped rural market necessities and increasing interest of domestic and overseas producers in capacity creation to serve the domestic and overseas markets.

Going forward, your Company will continue to strengthen its leadership position in Iron & Steel Industry.

At Ashiana, value is delivered through a consistent focus on quality in business, and while delivering value to our stakeholders we do not lose focus of the need to give back to the society also. The Jainism defines life in almost everything, and therefore, preaches non-violence of extreme degree. Jainism offers a quiet, overwhelmingly serious way of life, a cultural insistence on compassion, a society of ethics that has dramatically changed the world and will continue to effect change. Jainism is an ecologically responsible way of life which is nonviolent in thought, action, and deed.

Our people

Our biggest assets are our employees. Through their hardwork, passion and commitment for excellence, they contribute in differentiating ourselves in the marketplace and to pursue our aspirations of becoming a market leader. We believe in developing a congenial team culture that has helped the company and its employees in moving towards excellence and continuous performance improvement. Your company has successfully invested in development of leadership competencies among its employees to translate our aspiration into reality.

Acknowledgment:

As we prepare for the future, I strongly believe that the challenges will help us stay agile and proactive. Before I conclude, I would like to express my sincere appreciation to our shareholders for the trust and support without which it will be impossible for us to grow and evolve with the changing times. 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.

(Naresh Chand)
Managing Director

NOTICE TO MEMBERS

Notice is hereby given that the 22nd Annual General Meeting of Ashiana Ispat Limited will be held on Tuesday, 30th September, 2014 at 11.30 A.M. at the Registered Office of the Company at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Alwar-Rajasthan to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Neeraj Kumar Jain (holding DIN 01335390), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. S. Singhal & Company, Chartered Accountants (ICAI Reg. No. 001526C) are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

SPECIAL BUSINESS

4. 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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Tara Chand Kansal (DIN : 00747023), Director of the Company be

and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.

5. 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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Ram Kumar Garg (DIN : 01389278), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.

6. 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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Rajesh Kumar Pal (DIN : 01335492), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.

7. 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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to

the said Act, Mr. Rajinder Parshad Bansal (DIN : 01388921), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197, and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the provisions of Schedule V of the Companies Act, 2013 and subject to the approval of shareholders in their ensuing Annual General Meeting, the Company hereby approves the re-appointment of Mr. Sanjay Kumar Jain as the Whole-time Director of the Company for a period of five years w.e.f.01.06.2014 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 is 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 V of the Companies Act, 2013 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. Sanjay Kumar Jain.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limits as amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

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, Alwar
Date: 30.05.2014

Sd/-
(Naresh Chand)
Managing Director

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 25th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

5. 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.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
8. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.ashianaispat.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
10. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
11. The Company had received the written certificate as per section 141 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014 recommending appointment of M/s. S. Singhal & Co. Chartered Accountants.
12. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 4 to 7. The relevant details of Directors seeking appointment / re-appointment under item no. 4, 5, 6, 7 of this Notice are provided at page nos. 10-12 of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No.4 to 7**

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Tara Chand Kansal, Mr. Ram Kumar Garg, Mr. Rajinder Prasad Bansal and Mr. Rajesh Kumar Pal, being eligible, offer themselves for appointment as Independent Directors in terms of the Companies Act, 2013, it is therefore proposed to appoint Mr. Tara Chand Kansal, Mr. Ram Kumar Garg, Mr. Rajinder Parshad Bansal and Mr. Rajesh Kumar Pal, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing

from 30th September, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided at page no. 10-12 of this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. Tara Chand Kansal, Mr. Ram Kumar Garg, Mr. Rajinder Parshad Bansal and Mr. Rajesh Kumar Pal fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.ashianaispat.in.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolutions as set out at item no. 4 to 7 for approval of the Members.

ITEM NO. 8

The Board of Directors at their meeting held on May 30, 2014 has subject to the approval of members, re-appointed Mr. Sanjay Kumar Jain as a Whole-time Director, for a period of 5 (five) years from the expiry of his present term on June 01, 2014 at a remuneration as recommended by the Remuneration Committee and approved by the Board.

It is proposed to seek the member's approval for the abovementioned re-appointment and remuneration payable to Mr. Sanjay Kumar Jain as a Whole-time Director, in terms of applicable provisions of the Act.