

# 2016-17

## ANNUAL REPORT



**ASHIANA ISPAT LIMITED**  
(AN ISO 9001-2015 COMPANY)

Manufacturer: Kamdhenu TMT Bars



## Corporate Information

### **BOARD OF DIRECTORS**

Shri Naresh Chand	-	Chairman
Shri Puneet Jain	-	Managing Director
Shri Ram Kumar Garg	-	Independent Director
Shri T. C. Kansal	-	Independent Director
Shri Rajesh Kumar Pal	-	Independent Director
Smt. Shruti Jain	-	Independent Director

#### **STATUTORY AUDITORS**

M/s D V Aggarwala & Co.  
Chartered Accountants  
428, Deepali Enclave,  
Pitampura, New Delhi 110034

#### **INTERNAL AUDITOR**

Mr. Dinesh Kumar Sharma  
Chartered Accountant

#### **COST AUDITOR**

M/s R.S. Roy & Associates

#### **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

#### **CORPORATE OFFICE**

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

#### **COMPANY SECRETARY**

Harun Rashid Ansari

#### **REGISTERED OFFICE & WORK**

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

#### **REGISTRAR AND 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

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## CHAIRMAN'S SPEECH



Dear Shareholders,

### WELCOME TO THE 25<sup>th</sup> ANNUAL GENERAL MEETING OF ASHIANA ISPAT LIMITED

I am happy to present the Annual Report of Ashiana Ispat Limited for the Financial Year 2016-17. Given the backdrop of slow market growth, volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging. In a year when almost all sectors, barring few, continued to feel the ripples of the slowdown, Ashiana Ispat Limited improved its EBIDTA by 35.26%. I am pleased to inform that Ashiana has recorded revenues of Rs. 22878.93 lacs. PBT showed an improvement to Rs. 444.36 lacs from Rs. 87.54 lacs, while Net Profit has jumped by 378.92% from Rs.64.76 lacs in 2015-16 to Rs.310.15 lacs in 2016-17.

Your company is pinning hopes on the plans chalked out by the Government to bring a revival in the economy. Our endeavour lies in further scaling up our emerging business and establishing ourselves as an impactful player in structural steel in the entire NCR region.

As the environment mends and newer paradigms emerge, it will be our effort to stay ahead of the curve. By 2050, about 843 million people are expected to reside in the urban areas — accounting for about 50 per cent of the overall population.

The Smart City Mission (SCM) of the Centre is part of the overall game plan to accommodate the massive urbanisation that is expected in the future by modernising the existing mid-sized cities.

Infrastructure is another big opportunity involving diverse activities road and flyover building, development of city centre, bridges, schools, hospitals, offices, retail, etc. and so on. It also means bringing in even greater efficiency and productivity so that the financial parameters can move to higher levels. Steel demand has outpaced supply over the last five years.

Recently there were two important landmark economic policy developments that took place in India: a constitutional amendment making way for the goods and services tax (GST) and withdrawal of legal tender of high value currency notes ("500 and "1000) which intends to curb black money and running of a parallel economy. With a slow start in 2016, the economic momentum recovered towards the middle of the year. While this growth momentum was temporarily impacted with demonetization, the India economy appears to be recovering fast and will continue as one of the fastest growing nations. We remain committed to our vision of bringing sustainable solutions in every sphere including societal commitments. Our operational excellence program has started yielding results. Our processes have been strengthened. Our teams are empowered to deliver on the commitments. What is required is scaling up combined with profitable returns for our stakeholders.

With a proven track record of fast-tracking innovation to market, a fully empowered team and experienced leadership at different levels, not to mention a strong balance sheet, your Company looks forward to re-shaping its future. It is the way for us to renew ourselves and at the same time explore into the new horizons.

There are a few challenges that we still need to address like your Company is operating in an industry that faces price volatility



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in raw materials. We are addressing all of these challenges simultaneously and are sure in the very near future; these challenges will all be behind us.

### **Opportunity**

Steel sector is the backbone of the Indian economy. Government is also providing certain measures to provide thrust to Indian Steel sector. Historically, steel has been one of the fastest growing commodities and this trend is likely to continue thereby auguring well for overall progress of the Industry.

Your Company has significant strengths and being "ASHIANA" in itself is a bigger strength because the names like trust and quality are associated with the Company. Ashiana always put emphasis on becoming a customer centric delivery-focus organization. It consistently put focus on innovative techniques and implementing best industry practices. The Company is an integral part of Indian society and has state-of-the-art manufacturing facilities, efficient supply chain, strong brand and capable employees who are committed to provide value with high quality and integrity.

### **Our People**

Our employees are the mainstay of the organization. We at Ashiana always put focus on enhancing the skills, innovation, creativity and overall improvement in the caliber of the employees at all levels. Ashiana is working towards creating a simpler and diverse organization that will help it to innovate better and move faster. We focus on creating a work culture where employees feel empowered and are engaged to the best of their capabilities. At Ashiana, people work on Jain system of business ethics, thereby, bring out a harmonious blend of religious values with the modern style of management to head towards a transparent and content organization.

### **Acknowledgement**

On behalf of the Board of Directors and the Management, I would like to place on record your Company's sincere appreciation of the continuing patronage and support of all stakeholders, without which it will be impossible for the Company to scale new heights and achieve new levels. I would also like to extend my heartfelt gratitude to the employees of the Company for their timeless commitment for enhancing the well-being of the Company. It is the unmatched support of the shareholders and bankers that has helped Ashiana climbing the stairs of success.

**(Naresh Chand)**

**Chairman**

**DIN: 00004500**



## MANAGING DIRECTOR'S STATEMENT



**Puneet Jain, Managing Director**

Dear All,

It gives me immense pleasure to welcome you all at the 25th Annual General Meeting of the Company.

I am highly delighted to inform you that your company is back in the profit and growing rapidly.

I have now been in the Chair here for more than a year and am delighted at how the Company has progressed during that time. When I took the chair as MD one year before, I articulated our strategy for the coming years as it was a crucial time for the Company. Our Company was facing the challenges due to the global economic slowdown. The planning process needed to be focused about chalking out the new path into value-driven work. When I spoke to you in our AGM at the same time last year, I asked for your patience and trust in what we were doing. Well, I am glad to report that your trust has been rewarded. The next coming years have to be more focused and development-oriented wherein by embracing the best modern practices and building the strong value-based systems.

In recent times Ashiana Ispat is focusing on improving the bottom-line and thereby creating wealth for its shareholders and strengthening its position in the industry. The company wants to achieve this mainly by modernisation of plant and also by expanding its market share in the NCR region.

The much awaited transformation period has already begun to reveal itself. Since our Last AGM, there has been significant development in your company like

**1. Infrastructural development in the form of construction of shed to stock the finished goods inside factory premises:**

To stock the TMT Bar a wide span sheds in superior level of design and engineering has been erected within the factory premises. These sheds have been designed to both maximize our available space and leave that space as unimpeded as possible.

**2. Proposal for infusion of capital**

In response to the growing demand for building material, your Board has decided to introduce more capital in the main stream of business through preferential issue to select group of person as mentioned in the notice calling annual general meeting of company. The proposal of infusion of capital will provide more cushion to the working capital and in reduction of the interest burden

**3. Financial performance**

- ♣ EBIDTA for the financial year 2016-17 shot up 35.26% to Rs 944.82 lacs against Rs 698.50 lacs in 2015-16.
- ♣ Company has performed well during the first quarter i.e. April-June, of the current financial year
- ♣ EPS for the financial year 2016-17 shot by up 366.44% to Rs. 6.95 against Rs. 1.49 in 2015-16.



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As in every improvement process, there is always a time lag between implementation and results, so, in the meanwhile, I hope to revive the growth and Excellency in business operations.

I would like to quote a famous saying in this regard:

"Excellent firms don't believe in excellence -- only in constant improvement and constant change." --Tom Peters

At the same time we relentlessly focused on building and improving our capacity utilization by optimizing our traditional processes and cost structure. We also approved a comprehensive programme for enhancing our capital base by opting for preferential allotment of shares after considering the strategic and operational cash requirements to expand our horizon. Financial year 2017 also brought with itself the challenging economic considerations and competition. But, with the support and co-operation that our employees and stakeholders have reposed in us, Ashiana has not lost its vision and mission of delivering consistent and profitable growth and thereby building a strong local presence. In conclusion, I'd like to sum up 2017 as a year of change and consolidation that has successfully delivered benefits to the structure of the business – alignment of the industry sectors which will provide superior outcomes for our customers, and as a result, for the performance of the Company.

Looking forward, I and my fellow directors are very confident about the prospect of the company in the coming year. The Indian economy is growing at a very rapid pace. Iron & Steel industry plays an important role in the infrastructural development of the country. The demand of TMT Bar is expected to grow during the current year, backed by strong demand from Infrastructural Sector, Housing sector, which are expected to register positive growth rate.

Hence, Your Company's well-planned business initiatives, brand building of products and strong Corporate Strategies will deliver significant rise in its turnover and stronger financials for the current year and years to follow.

At the end, I would like to say that during this journey of building a robust foundation with a strong foothold, I look forward to the continuing support and encouragement of our employees, stakeholders and customers and our Bankers, State Bank of India, because they are the source of strength for the organization to steer forward and to thrive itself in challenging business environment. It has been my endeavour since I took the chair as MD to make all employees the equal contributors in the success story of Ashiana. I would also like to take this opportunity to thank the senior executives and management and every person associated with Ashiana, and in fact the talented members of Distributors and dealers for their contribution and dedication to the Company. I would also like to thank my fellow Directors for their efforts over the past year.

Looking ahead, I deeply believe that we can be the next generation company, a Company that is strongly built on the foundations of traditions, culture, morals and experience of our predecessors. I have strong trust and faith in our capabilities that we can, by embracing the tough choices move ahead and create a name for ourselves. This journey will be challenging but with our strong will and determination, I am optimistic that we will be able to sail with the tide with flying colors.

**Yours faithfully**  
**Puneet Jain**  
**Managing Director**  
**DIN: 00814312**



# ASHIANA ISPAT LIMITED

## Notice

NOTICE is hereby given that the TWENTY-FIFTH ANNUAL GENERAL MEETING of the members of ASHIANA ISPAT LIMITED will be held on Thursday, August 31, 2017 at 09.30 A.M. at the Registered office A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Rajasthan, to transact the following business:-

### Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017 which includes the Statement of Profit & Loss, Cash Flow Statement, the Balance Sheet as at that date, the Auditor's Report thereon and the Board's Report.
2. To appoint a Director in place of Mr. Puneet Jain (DIN: 00814312), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors and fixing their remuneration:

The term of the existing Statutory Auditors- M/s S. Singhal & Co. who were appointed by the Shareholders in the 24th AGM held on 28th September, 2016 for a term of one year from the conclusion of the 24th AGM in accordance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, expires at the conclusion of the 25th AGM. Therefore, Board in consultation with Audit Committee had recommended the appointment of M/s D V Aggarwala & Co., Chartered Accountants (ICAI Reg. No. 001263 C) of 428 Deepali Enclave Pitampura, New Delhi 110034 to hold office as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 25th AGM till the conclusion of 30th AGM.

Therefore, members are requested to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof M/s D V Aggarwala & Co., Chartered Accountants (ICAI Reg. No. 001263 C) of 428 Deepali Enclave Pitampura, New Delhi 110034, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company in place of M/s S. Singhal & Company, Chartered Accountants (ICAI Reg. No. 001526C), to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor.

### Special Business:

#### 4. To Issue Equity Shares on Preferential basis to Promoter & Public

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 the sections 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"), and any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to create, offer, issue and allot, **3500000** Equity Shares of Rs. 10/- each of the Company, for cash, at an exercise price of Rs. 28/- (Rupees Twenty Eight) per Equity Share, including premium of Rs. 18/- (Rupees Eighteen) ("**Issue Price**") aggregating upto Rs. 9,80,00,000/- (Rupees Nine Crore Eighty Lacs Only) to following persons belonging to the promoter and public category of shareholders of the Company ("**Allotees**") on preferential basis ("**Preferential Issue**"), in accordance with the provisions of Chapter VII of the ICDR Regulations, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this regards:-

Name of the Allotees	Number of Equity Shares up to	Category
<b>Promoters</b>		
Naresh Chand	220000	Promoter
Naresh Chand HUF	380040	Promoter
Puneet Jain	297500	Promoter
Uma Jain	350000	Promoter
Swati Jain	380000	Promoter
Sub Total [A]	1627540	
<b>Public</b>		
Shree Giriraj Securities Pvt. Ltd.	400000	Public
Sh. Shyam Dhanuka	222460	Public
Mrs. Priyanka Dhanuka	200000	Public
Mrs. Seema Jain	250000	Public
Mr. Sandeep Garg	300000	Public
Mrs. Monika Garg	300000	Public
M/s. Sandeep Garg HUF	200000	Public
Sub total [B]	1872460	
[A]+[B]	3500000	



## RESOLVED FURTHER THAT:

- i. In accordance with the provisions of ICDR Regulations, the "Relevant Date" for the purpose of calculating the price of the Equity Shares to be issued in terms hereof shall be **1<sup>st</sup> day of August, 2017**, being the date 30 days prior to the date of the Annual General Meeting scheduled to be held on **31<sup>st</sup> day of August, 2017**.
- ii. The Equity Shares so allotted shall be in dematerialised form, shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects.
- iii. The Equity Shares allotted in terms of this resolution shall be subject to lock-in as per provisions of ICDR Regulations.
- iv. The Board be and is hereby authorized to seek listing and trading of the Equity Shares issued pursuant to the Preferential Issue on the Stock Exchange where the Equity Shares of the Company are listed.
- v. The Board be and is hereby authorized to accept and effect any conditions and modifications as may be required by the agencies involved in such issues including but not limited to SEBI, RBI, Stock Exchange and/or such other appropriate authorities.
- vi. The Equity Shares shall be issued and allotted by the Company to Allotees within a period of 15 days from the date of receipt of shareholders' approval for the Preferential Issue of Equity Shares, provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** the monies received by the Company from the proposed allottees for application of the Equity Shares pursuant to this Preferential Issue shall be kept by the Company in a separate bank account opened by the Company with **State Bank of India [NDM-II, Netaji Subhash Place, Pitampura, New Delhi]** Branch and shall be utilized by the Company in accordance with Section 42 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to issue and allot the Equity Shares, issuing certificates / clarifications, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), in connection therewith and incidental thereto as the Board in its absolute

discretion deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects.

**RESOLVED FURTHER THAT** the Company to make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the new Equity Shares issued on preferential basis."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred by above resolutions to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc as may be necessary to give effect to the aforesaid resolution."

## 5. Revision in the remuneration of Mr. Puneet Jain (DIN: 00814312), Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Puneet Jain (DIN: 00814312), Managing Director of the Company, on the terms and conditions including remuneration as mentioned below:

### ♣ Salary & Perquisites:

1	Basic Salary: Rs.5,00,000/- per month w.e.f. November, 2016.
2	Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
3	Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
4	Reimbursement of membership fees for a maximum of two clubs.
5	Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
6	Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites
7	Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.



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- ♣ The terms and conditions of appointment of Managing Director and remuneration may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

- ♣ No sitting fees will be paid to the Executive Director(s) for attending meeting of the Board of Directors or any committee thereof.

RESOLVED FURTHER THAT Mr. Naresh Chand, Director and/or Harun Rashid Ansari, Company Secretary be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

6. **To re-classify the status of certain persons/entities of Promoter & Promoter Group and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to Regulation 31 A and other relevant provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and applicable provisions if any of the Companies Act, 2013 and in accordance with the inter se Share Purchase Agreement executed between the outgoing promoter sellers Mr. Neeraj Kumar Jain, Mr. Sanjay Kumar Jain, Mrs. Vandana Jain, M/s. Neeraj Kumar Jain & Sons HUF & Mrs. Renu Jain collectively known as (“outgoing promoters”) and remaining promoters, Mr. Naresh Chand, Mr. Puneet Jain, Mrs. Uma Jain, Mrs. Swati Jain, M/s Ashiana Fincap Pvt. Ltd. & M/s Naresh Chand HUF collectively known as (“Continuing Promoters”) in terms of Regulation 10(1)(a)(ii) of SEBI (SAST) Regulations 2011, the approval of the shareholders be and is hereby accorded for the reclassification of the Outgoing Promoters as the Public Shareholders with effect from this Annual General Meeting.”

RESOLVED FURTHER That the Outgoing Promoters shall not hold more than ten percent of the paid-up equity share capital of the Company nor shall have any special right through formal or informal arrangements and shall not directly or indirectly exercise control, over the affairs of the Company.

RESOLVED FURTHER That on approval of the Stock Exchange for the said re-classification, the Company shall effect such re-classification in the Statement of Shareholding Pattern of the Company from immediate succeeding quarter under Regulation 31 of the Listing Regulations and other applicable laws.

RESOLVED FURTHER That Mr. Naresh Chand, Director and Mr. Harun Rashid Ansari, Company Secretary of the Company and such other persons as

authorized by them, be and are hereby jointly and severally authorized to submit the application for re-classification to the Stock Exchange, where the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution and to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board.”

7. **To enhance the borrowing power over and above the Paid-up capital and free reserve**

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

“RESOLVED THAT in supersession of the earlier resolution passed by the Shareholders of the Company under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting held on September 29, 2008 and subject to the provisions of Section 180(1)(c) of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable provisions and rules, of the Companies Act, 2013, (including any statutory modification(s), amendments or re-enactment thereof, for the time being in force) and subject to the Memorandum and Articles of Association of the Company, the Members of the Company hereby approve, consent to and ratify the power of the Board of Directors of the Company (hereinafter referred to as the “Board” and which term shall be deemed to include any duly authorised committee(s) thereof, exercising for the time being, the powers conferred on the Board by this resolution), for borrowing from time to time and in any manner, any sum or sums of monies, upon such terms and conditions, with or without security, as the Board may in its absolute discretion think fit, which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of its paidup share capital and free reserves, provided however that the total sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed of Rs. 80 crores (Rupees Eighty Crores only) or the aggregate of paid-up share capital and free reserves, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto, as it may deem fit, and to sign and to execute deeds, applications, documents, instruments, and writings that may be required, on behalf of the Company and generally to do all such



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acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and for matters concerned therewith or incidental thereto and to settle any questions, difficulties or doubt that may arise in this regard."

**8. Remuneration of M/s. R. S. Roy & Associates, Cost Auditors of the Company:**

To consider and, if thought fit, to pass with or without modification, 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 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder, as amended from time to time, the remuneration payable to M/s. R. S. Roy & Associates, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, amounting to Rs. 25,000/- per annum, plus service tax and actual out-of-pocket expenses, be and is hereby ratified and confirmed.

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

**By Order of the Board of Directors**

**Place: Bhiwadi**

**Date: August 01, 2017**

**for Ashiana Ispat Limited**

**Sd/-**

**Naresh Chand**

**Chairman**

**DIN-00004500**

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 25<sup>th</sup> August, 2017 to Thursday 31<sup>st</sup> August 2017 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. Members holding shares in demat form are hereby informed that the Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
5. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime India Private Limited / Investor Service Department of the Company immediately.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company [www.ashianaispat.co.in](http://www.ashianaispat.co.in) to M/s. Link Intime India Private Limited or Investor



## ASHIANA ISPAT LIMITED

Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 25.08.2017, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Monday, 28<sup>th</sup> August, 2017 and will end at 5.00 p.m. on Wednesday 30<sup>th</sup> August, 2017. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed M/s Bir shankar & Co., Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

### PROCEDURE FOR REMOTE E-VOTING

The instructions for shareholders voting electronically are as under:

- (I) The voting period begins on 28<sup>th</sup> August, 2017 at 9.00 A.M and ends on 30<sup>th</sup> August, 2017 at 5.00 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 25<sup>th</sup>

August, 2017 may cast their vote electronically. 25th e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (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.
- (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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  · Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  · If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) 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



## ASHIANA ISPAT LIMITED

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 <Company Name> 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 changed 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 Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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 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 vote.

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) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 25.08.2017 may follow the same instructions as mentioned above for e-Voting.

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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, AND REGULATION 73 OF THE SEBI (ICDR) REGULATIONS, 2009 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING (“THE MEETING”)**

As required by Section 102 of the Companies Act, 2013 and Regulation 73 of the SEBI (ICDR) Regulations, 2009, the following Explanatory Statements sets out all material facts relating to the business mentioned under items 4-8 of accompanying Notice dated August 01, 2017.

#### **Item No. 4**

As per Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended and the rules made there under (the “Act”) and other applicable provisions, if any, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”) and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of the Members of the Company by way of special resolution is required for issue & allotment of Equity Shares on preferential basis to Promoter/ Promoter Group Members of the Company and Public Shareholders.

The relevant disclosures as required in terms of the Companies Act, 2013 and SEBI (ICDR) Regulations are as under:



# ASHIANA ISPAT LIMITED

a) Objects of the preferential issue of equity shares:

Your Company plans to issue equity shares to Promoter & Promoter Group Members and Public Shareholders to fund the operations of the Company, reduce/ repay the Debt obligations and meet the Capital expenditure of the Company. In view of this, it is proposed to create, offer, issue and allot 18,72,460 (Eighteen Lacs Seventy Two Thousand Four Hundred Sixty Only) Equity shares of Rs. 10/- each to Public Shareholders and 16,27,540 (Sixteen Lacs Twenty seven thousand Five hundred forty Only) Equity shares of Rs. 10/- each fully paid to Promoter & Promoter Group Members on preferential allotment basis.

b) Promoters/Directors/Key Management persons/ Public intended to subscribe to the offer:

Name of the Allotees	Number of Equity Shares up to	Category
<b>Promoters</b>		
Naresh Chand	220000	Promoter
Naresh Chand HUF	380040	Promoter
Puneet Jain	297500	Promoter
Uma Jain	350000	Promoter
Swati Jain	380000	Promoter
<b>Sub Total [A]</b>	<b>1627540</b>	
<b>Public</b>		
Shree Giriraj Securities Pvt. Ltd.	400000	Public
Sh. Shyam Dhanuka	222460	Public
Mrs. Priyanka Dhanuka	200000	Public
Mrs. Seema Jain	250000	Public
Mr. Sandeep Garg	300000	Public
Mrs. Monika Garg	300000	Public
M/s. Sandeep Garg HUF	200000	Public
<b>Sub total [B]</b>	<b>1872460</b>	
<b>[A]+[B]</b>	<b>3500000</b>	

c) Shareholding pattern before and after issue of equity shares

S.No.	Category	Pre-Holding		Post-Holding	
		Number of Shares held	% of holding	Number of shares held	% of holding
<b>A</b>	<b>Promoter's Holding</b>				
<b>1</b>	<b>Indian Promoters</b>				
	<b>Acquirer</b>				
	Mrs. Uma Jain	309690	6.94	659690	8.28
	M/s. Naresh Chand HUF	197410	4.42	577450	7.26
	Mrs. Swati Jain	57000	1.28	437000	5.49
	Mr. Naresh Chand	482500	10.81	702500	8.82
	Mr. Puneet Jain	445900	9.99	743400	9.33
	M/s Ashiana Fincap Pvt. Ltd.	140000	3.14	140000	1.76
	<b>Sub Total A</b>	<b>1632500</b>	<b>36.56</b>	<b>3260040</b>	<b>40.94</b>
<b>2</b>	<b>Foreign Promoters</b>	-	-	-	-
	<b>Total Promoter Holding</b>	<b>1632500</b>	<b>36.56</b>	<b>3260040</b>	<b>40.94</b>

<b>B</b>	<b>Public Shareholding</b>				
<b>1</b>	<b>Institutions</b>				
	MF/UTI/Insurance Companies	-	-	-	-
	FI/Banks	-	-	-	-
	Central/State Govt.	-	-	-	-
	Venture Capital Funds	-	-	-	-
	FII	-	-	-	-
	<b>Acquirers</b>				
	Shree Giriraj Securities Pvt. Ltd.	117295	2.64	517295	6.50
	Sh. Shyam Dhanuka	-	-	222460	2.79
	Ms. Priyanka Dhanuka	-	-	200000	2.51
	Mrs. Seema Jain	-	-	250000	3.14
	Mr. Sandeep Garg	-	-	300000	3.77
	Mrs. Monika Garg	-	-	300000	3.77
	Mr. Sandeep Garg HUF	-	-	200000	2.51
	Any other	-	-	-	-
	<b>Sub-Total B1</b>	<b>117295</b>	<b>2.64</b>	<b>1989755</b>	<b>24.99</b>
<b>2</b>	<b>Non-Institutions</b>				
	Bodies Corporate	512320	11.47	512320	6.43
	Individual	2135761	47.84	2135761	26.81
	Other (specify-HUF)	29917	0.67	29917	0.37
	Clearing Members	34825	0.78	34825	0.43
	NRI	2182	0.04	2182	0.03
	<b>Sub Total B2</b>	<b>2715005</b>	<b>60.80</b>	<b>2715005</b>	<b>34.07</b>
	<b>Total Public shareholding B1+B2</b>	<b>2832300</b>	<b>63.44</b>	<b>4704760</b>	<b>59.06</b>
	<b>Grand Total A+B</b>	<b>4464800</b>	<b>100</b>	<b>7964800</b>	<b>100</b>

d) Proposed time within which the allotment shall be completed:

The Allotment of the equity shares shall be completed within 15 (fifteen) days from the date of the Annual General Meeting provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

e) Identity of proposed allottee(s) of Equity shares and the percentage of the post issue capital that may be held by him / her on allotment of shares:

Name of the allottee	Category	Pre-issue holding		New Shares allotted	Post-issue holding	
		No. of shares	%		No. of shares	%
Naresh Chand HUF	Promoter	197410	4.42	380040	577450	7.26
Uma Jain	Promoter	309690	6.94	350000	659690	8.28
Swati Jain	Promoter	57000	1.28	380000	437000	5.49
Naresh Chand	Promoter	482500	10.81	220000	702500	8.82
Puneet Jain	Promoter	445900	9.99	297500	743400	9.33
Shree Giriraj Securities Pvt. Ltd.	Public	117295	2.64	400000	517295	6.50
Shree Shyam Dhanuka	Public	-	-	222460	222460	2.79



## ASHIANA ISPAT LIMITED

Smt. Priyanka Dhanuka	Public	-	-	200000	200000	2.51
Mrs. Seema Jain	Public	-	-	250000	250000	3.14
Mr. Sandeep Garg	Public	-	-	300000	300000	3.77
Mrs. Monika Garg	Public	-	-	300000	300000	3.77
M/s Sandeep Garg HUF	Public	-	-	200000	200000	2.51

f) **Change in the Composition of the Board of Directors and Control of the Company:**

There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential allotment

g) **Non transferability of the Securities:**

The securities issued and allotted on a preferential basis hereunder will be subject to lock-in as specified under Chapter VII of the SEBI (ICDR) Regulations, 2009 (hereinafter referred as "SEBI (ICDR) Regulations").

h) **Price at which allotment is proposed:**

In accordance with the provisions of ICDR Regulations, the "Relevant Date" for the purpose of calculating the price of Equity Shares shall be August 01, 2017, being the date 30 days prior to the date of the Annual General Meeting to be held on August 31, 2017. Equity Shares of the Company are frequently traded as defined under regulation 71A of the ICDR Regulations. Pursuant to regulation 76(1) of the ICDR Regulations, pricing of Equity Shares of the Company is arrived at Rs.27/- (Rupees Twenty Seven) per Equity Share ("Floor Price"). The Issue Price of each Equity Shares is fixed at Rs.28/- (Rupees Twenty Eight).

i) **Certificate from Statutory Auditor:**

Company has obtained certificate from Statutory Auditor certifying that the above preferential issue of equity share is made in accordance with the applicable provisions of the ICDR Regulations.

j) **Undertaking:**

- i. the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- ii. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the

specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommends the resolutions set out at Item No. 4 for approval of the shareholders as Special Resolution.

The Board of Directors at its meeting held on Tuesday, August 01, 2017 has approved the issue and allotment of equity shares on preferential basis in the manner stated above subject to approval of the Members of the Company by way of Special Resolution.

Except Mr. Naresh Chand, Mr. Puneet Jain and their relatives being either Shareholders or Directors in the Company, none of the Directors or any Key Managerial Personnel or any relative of any of the Directors/Key Managerial Personnel of the Company is, in anyway, concerned or interested in the resolution mentioned in Item No.4

**Item No.5**

Revision in the remuneration of Mr. Puneet Jain (DIN: 00814312), Managing Director of the Company.

Mr. Puneet Jain is holding office as Managing Director of the Company in terms of appointment approved by the members at annual general meeting of the company held on 28.09.2016 for five years w.e.f. 01.06.2016. Remuneration of Mr. Puneet Jain was approved for a period of five years w.e.f. 01.06.2016.

Company has been facing performance difficulties in the recent past year due to recession in the market. To face the challenge of the time company has appointed a young person as new Managing Director of the company. Keeping in view of the inherent quality of dynamic leadership of Mr. Puneet Jain it is hoped that company will further perform better in fiercely competitive environment. He has presented a long term planning to enhance the market share of our product and operational efficiency by maximum utilization of limited resources available with us.

Overall performance of the company during the year 2016-17 has been satisfactory in term of increase in Turnover from Rs. 216 Crores in 2015-2016 to Rs. 229 Crores in the year 2016-2017 and increase in Net Profit After Tax from Rs. 0.65 Crores to Rs. 3.10 Crores and increase of EPS from Rs. 1.49 to Rs. 6.95 for the corresponding period. Keeping in view of the contribution made by Managing Director for achieving the above performance and over all development of the Company, the Board approved the proposal for increase of Remunerations to Managing



## ASHIANA ISPAT LIMITED

Director with the Provisions of the Companies Act, 2013 for his remaining period of the tenure of appointment w.e.f November, 2016.

Mr. Puneet Jain may be deemed to be concerned or interested, financially or otherwise, in respect of his revision in remuneration. Mr. Naresh Chand, Director of the Company, is relative of Mr. Puneet Jain and their other relatives, to the extent of their shareholding interest in the Company, if any, may be deemed to be concerned or

interested in the revision of remuneration of Mr. Puneet Jain.

Save and except as above, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

This explanatory statement to be considered as necessary disclosure under regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

General Information:

1	Nature of Industry	Manufacturing and trading of Kamdhenu TMT Brand		
2	Year of commencement of production	1992		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4	Financial performance (Rs. In lacs)	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
		Gross revenue	21600.02	29909.97
		Profit before Interest, Depreciation and tax	698.50	1046.11
		Depreciation	138.53	152.55
		Interest	472.43	600.76
		Profit after Interest , Depreciation(PBT)	87.54	292.80
		Tax	22.78	93.76
		Profit after Tax(PAT)	64.76	199.03
		Equity capital	446.48	426.15
EPS	1.49	4.67		
5				



## ASHIANA ISPAT LIMITED

### Details of Directors seeking appointment / re-appointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standards-2

Name of the Director	Puneet Jain	
DIN	00814312	
Date of Birth	24.08.1975	
Age	41	
Nationality	Indian	
Date of Appointment (Initial Appointment)	20/01/2003	
Details of remuneration	2014-15	2015-16
	1,20,000/- p.m	1,20,000/- p.m
Qualification	Graduate	
Experience in specific functional area	Mr. Puneet Jain is well recognized for his leadership, visionary and entrepreneur skills in managing business activities and has been efficiently managing overall affairs of the company. He has started his career as a Promoter Director with a renowned TMT Bar manufacturing company Kamdhenu Ispat Limited. With his consistent efforts, dedication and experience he has been promoted as Managing Director of M/s. Ashiana Ispat Limited a manufacturer of Kamdhenu Brand TMT Bar.	
Directorship in other Companies	Ashiana Fincap Pvt. Ltd. Kamdhenu Steel & Alloys Limited Ashiana Commodities & Derivatives Pvt. Ltd. Lohman Manufacturing Pvt. Ltd.	
Membership in Board Committee of other Companies	Nil	
Chairmanship of Board Committees of other Companies	Nil	
Number of Board meetings attended during the F.Y 2015-16	6	
Number of Shares held in the Company	445900	
Inter se relationship with any other director/Manager/Key Managerial Personnel	Related with Mr. Naresh Chand	

#### Item No. 6:

Mr. Neeraj Kumar Jain, Mr. Sanjay Kumar Jain, Mrs. Vandana Jain, M/s. Neeraj Kumar Jain & Sons HUF & Mrs. Renu Jain collectively known as ("outgoing promoters") executed inter se Share Purchase Agreement executed between the outgoing promoter and Mr. Naresh Chand, Mr. Puneet Jain, Mrs. Uma Jain, Mrs. Swati Jain, M/s Ashiana Fincap Pvt. Ltd. & M/s Naresh Chand HUF collectively known as ("Continuing Promoters") to acquire 855490 (Eight lacs Fifty five thousand four hundred Ninety) Equity Shares at a price of Rs 12.50 (Rupees Twelve and Fifty paise Only) per Equity Share of the Company under Regulation 10(1)(a)(ii) of the SEBI (SAST) Regulations 2011.

The Outgoing Promoters will be classified as Public Shareholders subject to the approval of Shareholders. The Board of Directors at its meeting held on 01.08.2017 had

decided to place the matter before the shareholders for the approval.

The Board of Directors of the Company at their meeting held on 01st August, 2017 have favourably considered the request of the Outgoing Promoters as none of the member of Outgoing Promoters:

- holds more than 10% of the total share capital of the Company (either individually or in concert);
- have any direct or indirect control over the affairs of the Company;
- holds any key managerial position in the Company;
- have any representations on the Board of Directors in the Company;
- is engaged in any management or day to day affairs of the Company;



## ASHIANA ISPAT LIMITED

- have any influences on the decision taken by the Company;
- have any special right through formal or informal arrangements with the Company

The Board of Director has accorded their approval to the said re-classification subject to the approval of the Members of the Company and relevant regulatory authorities.

Post re-classification the remaining members of the existing 'Promoter and Promoter Group Category' of the Company will be as follows:

Name of the Members	No. of shares held as on 01.08.2017	%
<b>Promoter:</b>		
Mr. Naresh Chand	482500	10.81
Mr. Puneet Jain	445900	9.99
<b>Members of Promoter Group/ Persons Acting in Concert:</b>		
Mrs. Uma Jain	309690	6.94
Mrs. Swati Jain	57000	1.28
M/s. Ashiana Fincap Private Limited	140000	3.14
M/s. Naresh Chand HUF	197410	4.42

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of this Notice already fulfils the minimum public shareholding requirement of at least 25% of the total share capital and the proposed re-classification will not result in any increase in the Public Shareholding.

The Board recommends the Special Resolution as set out at Item no. 6 of the Notice for approval of the Members.

Mr. Naresh Chand, Chairman & Director and Mr. Puneet Jain, Managing Director and their respective relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice, since they are the exiting members of the Promoter and Promoter Group category of the Company. Their respective shareholding in the Company has already been disclosed above.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice.

### Item No. 7:

Considering the requirement of funds for the operations of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors cannot, except with the consent of the Company in general meeting by way of a special resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company.

The shareholders of the Company at the Annual General Meeting dated September 29, 2008, had accorded their consent to the Board of Directors for borrowing up to Rs. 50.00 Crores over and above the aggregate of the paid up capital and free reserves of the Company. It is proposed to increase the borrowing limits to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.80 crores. The

Company needs to obtain approval of the shareholders by means of a Special Resolution.

The Board commends the Special Resolution at Item No. 7 for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested financially or otherwise in the passing of the proposed special resolution.

### Item No.8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R. S. Roy & Associates, Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2017-18 at a remuneration of Rs.25,000/- plus applicable taxes and out of pocket expenses incurred by him in connection with the aforesaid audit.

In terms of provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the members are requested to pass an ordinary resolution as 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 2017-18.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution. The Board recommends the passing of the resolution as an Ordinary Resolution.

Registered office:

A-1116, Phase-III, RIICO Inds. Area  
Bhiwadi—301019, Alwar, Rajasthan

By Order of the Board

Naresh Chand  
Chairman

DIN-00004500

Place: Bhiwadi  
Date: 01.08.2017



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report of your Company along with the Audited financial statements for the financial year-ended 31<sup>st</sup> March, 2017. The audited standalone financial results for the year ended 31<sup>st</sup> March 2017, are as under :

Financial results:		Rs. In lacs	
Sl. No.	Particulars	2016-2017	2015-2016
1	Gross Sale	22878.93	21600.02
2	Profit before Depreciation interest and Tax	944.82	698.50
3	Financial cost	354.39	472.43
4	Depreciation	146.06	138.53
5	Profit/ (Loss) for the year before tax	444.36	87.54
6	Balance (Cr.) brought forward from the previous year	1865.92	1831.48
7	Balance (Cr.) carried forward to the Balance Sheet	2166.77	1865.92

### 1. OPERATIONS

During the year under review, Gross Revenue from operation during the year under review is increased by 5.92% from Rs.21600.02 lakhs to Rs. 22878.93 lakhs. The Profit before Tax (PBT) is increased by 407.60 % from Rs. 87.54 lakhs to Rs. 444.36 lakhs. The Profit after Tax (PAT) is increased by 378.92 % from Rs. 64.76 lakhs to Rs. 310.15 lakhs.

Market dynamics, coupled with an expanding middle class, will continue to create higher demand for our products. Our improved operational efficiencies, backed by better cost management, have also played a pivotal role in further improving our market share in the NCR.

The real estate sector is already showing signs of improvement and the wide consumer acceptance of our products promises excellent potential for higher growth going forward.

The Government's initiatives to boost the economic sentiment led by initiatives such as '100 smart Cities and housing for all are beginning to translate into some positive change on ground and we see these developments emerging as prosperous growth. With no other economy in the world doing as good as Indian, India is almost perceived as the 'growth engine' of the world economy. This can surely give a big advantage in terms of attracting overseas

companies as well as investments.

### 2. DIVIDEND:

Keeping in view the future fund requirements of the company for achieving the long term growth objectives, the Board of Directors has not recommended any dividend and transferred all the distributable profit to the general reserve account of the company.

### 3. Responsibility Statement:

*In compliance with section 134(3) (c) of the Companies Act, 2013, your Directors confirm:*

- ▶ In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and that there are no material departures from the same,
- ▶ the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 as on 31<sup>st</sup> March, 2017 and of the profit of the Company for that period.
- ▶ the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ▶ the Directors have prepared the annual accounts on a going concern basis;
- ▶ the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- ▶ the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Retirement by Rotation

In accordance with the relevant provisions of the Act, Mr. Puneet Jain (DIN: 00814312), Director of the Company retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

The Board periodically reviews its composition for determining any change in the size and structure. As per the provisions of Companies Act, 2013, all directors except Independent Directors will retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. We also confirm that remuneration paid to all



# ASHIANA ISPAT LIMITED

directors is as prescribed by the Nomination and Remuneration Committee.

## Changes in KMP

Mr. Suresh Chand, Director of the Company have resigned from the directorship w.e.f 14/11/2016. The Board places on record its deep appreciation for the services rendered by him during his tenure.

## Evaluation

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for Board to monitor and evaluate the overall performance of its directors individually and also of directors constituting part of its committees. Also, Schedule IV prescribes formulation of the evaluation program for Independent Directors by the entire Board.

## NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company has framed Familiarization Programme for Independent Directors pursuant to Equity Listing Agreement SEBI (LODR), 2015 and uploaded the same in the website of the Company. The web link to access the aforesaid programme is [www.ashianaispat.in](http://www.ashianaispat.in)

## AUDIT REPORTS AND AUDITORS

### • AUDIT REPORT

The Statutory Audit report doesn't contain any qualifications or adverse remarks and is enclosed with the financial statements.

As per the provisions of Listing Regulations Auditor's certificate on Corporate Governance forms part of this report and don't contain any qualifications or adverse remarks related to compliance with the conditions/provisions of corporate governance.

### • SECRETARIAL AUDIT REPORT

The secretarial audit report confirms that the Company has complies with all the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other necessary compliances under various Acts, in so far as applicable to the Company. The report does not contain any qualifications, reservation or adverse remark.

The secretarial audit report forms part of this report and attached as Annexure-A.

## A. STATUTORY AUDITORS

Section 139 of the Companies Act, 2013 provides for mandatory rotation of auditors on completion of the time period as provided therein. Since, the continuing auditor's tenure is completed in this AGM, therefore,

on the recommendation of Audit Committee, Board of Directors proposed the appointment of M/s D V Aggarwala & Co. (ICAI Reg. No. 001263C), subject to the approval of shareholders of the Company, as the statutory auditors of the Company who will hold office for a period of 5 consecutive years from this AGM till the conclusion of the 30<sup>th</sup> AGM.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written Consent from M/s D V Aggarwala & Co. (ICAI Reg. No. 001263C), to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 141 of the Companies Act, 2013 and the rules made there under, as may be applicable.

## B. COST AUDITOR

The Board has appointed M/s R.S Roy & Associates as cost auditors of the Company for the financial year 2017-18.

## C. SECRETARIAL AUDITOR

As per the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, M/s Bir Shankar & Co., Practicing Company Secretary was appointed as the Secretarial Auditor of the Company for the year 2017-18.

## 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 134(3)(m) of Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given as an Annexure-B to this report.

## PARTICULARS OF EMPLOYEES

The ratio of remuneration of Managing Director and key managerial personnel in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the remuneration and other details forms part of this report as Annexure- C .

## SHARE CAPITAL

### • PREFERENTIAL ISSUE:

During the current fiscal company, subject to approval of shareholders and concerned Regulatory authority, proposed to allot 3500000 no. of equity shares of Rs.10/- each at a price of Rs. 28/- (Rupees Twenty Eight) including premium of Rs.18/- (Rupees Eighteen) each as fully paid up to promoter and public on preferential basis in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The above said Equity Shares rank pari passu with the existing equity shares of the Company and are subject to lock-in-period.



## • FUTURE PLANS OF RENOVATION/EXPANSION:

Bearing in mind the burgeoning demand for products and marketing strength of 'THE BRAND KAMDHENU' as well as the positive economy ahead, the Company is gearing itself to meet future demand growth. The Company has proposal to renovate the plant and manufacture the complete length and diameter of TMT Bar including 32 MM. The company is also keeping a close watch on infrastructural industry real estate sector that is directly integrated to iron and steel sector.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management discussion and Analysis Report forms part of this report.

## CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business practices that aims at enhancing value and wealth by taking decisions in conformity with ethical and moral standards, while simultaneously meeting stakeholder's expectations. We believe good and efficient corporate governance practices is essential in building and retaining the trust of stakeholders. The Companies Act, 2013 and SEBI's Listing Regulations, 2015 have provided a strong foot for strengthening the compliance norms in the area of governance.

The report on corporate forms an integral part to the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

As a socially aware and responsible corporate, we have imbibed within our organisational frame work a people centric philosophy. However CSR is not applicable though we actively participate in eradication of cataract program launched by Mahabir International, a renowned charitable trust of Delhi.

## CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the Company with related parties during the year were in the ordinary course and on arm's length basis. The company has not entered into any transaction that could be considered material. Therefore, as contemplated under Section 134(3)(h) of the Companies Act, 2013, no such disclosure(s) is required to be given by the Company in Form AOC-2.

## SUBSIDIARY COMPANIES

The company is not having any subsidiary.

## MEETINGS OF THE BOARD

The Board met nine times during the year, details of which are given in Corporate Governance Report forming part of this Annual Report. The maximum interval between two meetings is as being stipulated in the Companies Act, 2013.

## COMMITTEES

Presently, there are 4 committees of the Board: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Share transfer committee. All committees consist entirely of Independent Directors, details of which are annexed to the Corporate Governance Report.

## PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS

There are no loans given, or investments made or guarantee given by the Company as shown in Annexure- D.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations u/s 149(7) of the Companies Act, 2013 from Independent Directors confirming they meet the criteria of independence as prescribed under Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## VIGIL MECHANISM

The Company has established a vigil mechanism, incorporating a whistle blower policy in lines with the provisions of the Listing Regulations in order to protect the interest of the employees and executives in reporting their grievances/concerns in a protected manner. The policy on vigil mechanism may be accessed on the Company's website.

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return is being annexed with this Report as Annexure-E.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee and delegated to Internal Auditor to maintain its objectivity and independence. The Internal Auditor reports to the Chairman of the Audit Committee of the Board and to the Chairman & Managing Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and promptly informed the management on the lacking as and when required.

## FINANCE

The Cash and cash equivalent as at March 31, 2017 stands at Rs. 97.36 lakhs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.



## FIXED DEPOSITS

The Company has neither accepted nor renewed any Fixed Deposits from the public during the year under review.

## OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new Act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 9th December, 2013. Under the said Act our company has constituted an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. During the year under review, the Company has not received or disposed any complaint relating to sexual harassment at work place of any women employee.

## HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## INDUSTRIAL RELATIONS

During the Year under review, Your Company enjoyed cordial relationship with workers and employees at all levels.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## ENVIRONMENT & GREEN INITIATIVE

The Company is committed to the environment. The Company continues to upkeep effluent and chemical treatment plant. Continuous check of air and water pollution at manufacturing unit is made and monitored.

As part of promoting green initiative by the Company copies of the Annual Report for the year 2016-17 alongwith Notice of AGM are sent to the shareholders whose email addresses are registered with the Depository Participants. For those members who have not registered their email address, physical copies are sent to them.

## ACKNOWLEDGEMENT:

Your Directors would like to place their deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company who have contributed in every possible measure towards consistent growth of the Company. The Directors are also thankful to the Bankers-State Bank of India, investors, customers for their continued support during the year.

**For and on behalf of the Board  
For Ashiana Ispat Limited**

**Place: Bhiwadi**

**Date: 01.08.2017**

**(Naresh Chand)**

**Chairman**

**DIN: 00004500**

**(Puneet Jain)**

**Managing Director**

**DIN: 00814312**



**Annexure-A**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended 31<sup>st</sup> March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
Ashiana Ispat Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashiana Ispat Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that -

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, Its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (I) The Companies Act 2013 (the Act) and the rules made there under;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (III) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board India Act 1992 (SEBI Act)-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and



## ASHIANA ISPAT LIMITED

- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

- (VI) The Company is in the business of manufacture of TMT Bars. Being engaged in the steel industry, following other Laws specifically applicable to the Company as under:

1. The Air (Prevention and Control of Pollution) Act, 1981.
2. The Environment (Protection) Act, 1986
3. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
4. Employees State Insurance Act, 1948
5. Equal Remuneration Act, 1976
6. The Factories Act, 1948
7. The Industrial Employment (Standing Orders) Act, 1961
8. Maternity Benefit Act, 1961
9. The Minimum Wages Act, 1948
10. The Payment of Wages Act, 1936
11. The Negotiable Instruments Act, 1881
12. The Water (Prevention and Control of Pollution) Act 1974

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notices were given to all directors of the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has not bought back its equity shares and there were no instances/events in pursuance of the above laws, rules, regulations, guidelines having a major bearing on the Company's affairs.

**Place: Delhi**

**Date: 01.08.2017**

**For Bir Shankar & Co.**

**Bir Shankar**  
**Proprietor**  
C.P. No.7076



## ASHIANA ISPAT LIMITED

### Information on Energy Conservation, technology absorption and foreign exchange earnings and outflow

	As at 31.03.2017	As at 31.03.2016
<b>POWER AND FUEL CONSUMPTION</b>		
<b>ELECTRICITY</b>		
Purchase Unit (KWH)	30926505	30192769
CTD Section	12403508	11122198
Ingot Section	18522997	19070571
Total Amount	214009710	181009061
<b>Consumption (Unit/MT)</b>		
CTD Section	173	173
Ingot Section	768	844
<b>Own Generation</b>	NIL	NIL
Through Diesel Generation	NIL	NIL
Through Steam Turbine	NIL	NIL
<b>Coal</b>		
Purchased (Unit -MT)	1090.065	7238.300
Total Purchase Amt ( in Rs.)	9,591,295	56,609,001
Consumption (Unit-MT)	1015.045	7112.36
Furnace Oil Purchased (Unit -KL)	3113.920	399.545
Total Purchase Amt( in Rs.)	69,328,447	5,675,567
Consumption (Unit-KL)	3128.540	375.885
<b>EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT</b>	(Rs in Lacs)	(Rs in Lacs)
Capital	NIL	NIL
Recurring	NIL	NIL
Total	NIL	NIL
<b>FOREIGN EXCHANGE EARNING AND OUTGO</b>	NIL	NIL



## ANNEXURE-C

- 1 (i) The information required pursuant to Section 197 read with Rule 5 (1) (i) of [The Companies \(Appointment and Remuneration\) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year](#) are as follows:

Name of the Director/ KMP and Designation	Remuneration (Rs. In lacs)	% increase in remuneration from previous year	Ratio (Remuneration of Director to Median Remuneration)	Comparison of the remuneration of the KMP against the performance of the Company	
				% of Net Profit	% of Turnover
Sh. Neeraj Kumar Jain Whole-time Director	1.20	Resigned during the year			
Sh. Puneet Jain Managing Director	44.90	211.80%	88:1	14.48	0.20
Sh. Sanjay Kumar Jain Whole-time Director	1.20	Resigned during the year			
Sh. Harun Rashid Ansari Company Secretary	2.58	7.5%	5:1	0.83	0.01

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration. \*MRE-Median Remuneration of Employee based on annualized salary

- (ii) The median remuneration of employees of the Company during the financial year was 0.51 lac p.a;
- (iii) There were 132 permanent employees on the rolls of the Company as on March 31, 2017;
- (iv) Relationship between average increase in remuneration and Company performance:- The following factors are considered while giving increase in the remuneration:
- (a) Financial performance of the Company,
  - (b) Comparison with peer companies, and
  - (c) Industry benchmarking and consideration towards cost of living adjustment/ inflation.
- (v) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:- For the financial year 2016-17 Key Managerial Personnel were paid 16.08 % and 0.22 % of the net profit and turnover respectively of the Company.
- Percent increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:- There has not been any public offer by the Company in last year.
- (vi) The key parameters for the variable component of remuneration availed by the Executive Director and CEO is based on his performance and Company's performance
- (vii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :- Not applicable; and
- (viii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
- 2 (i) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs.60 lac per annum. NotApplicable
- (ii) Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than Rs. 5 lac per month as per table mentioned below :



## ASHIANA ISPAT LIMITED

Disclosures pertaining to Remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2017.

- A. Employed throughout the year and in receipt of remuneration which in the aggregate was not less than Rs.60,00,000/- per annum:

Name	Age (in years)	Designation/ Nature of duties	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	% of Share holding	Previous Employment/ Position held
Mr. Puneet Jain	38	Managing Director	44,90,000/-	Graduate	20 years	20.01.2003	9.99	Whole Time Director on the Board of Kamdhenu Limited

- B. Employed for a part of the year and in receipt of remuneration which in the aggregate was not less than Rs.60,00,000/- per annum: -None-

Mr. Naresh Chand is a relative of Mr. Puneet Jain, Managing Director.



# ASHIANA ISPAT LIMITED

## ANNEXURE-D

### Particulars of Loans, Guarantees or Investments

Amount outstanding as on March 31, 2017

Particulars	Amount in lacs
Loans given	
Guarantee given	NIL
Investments made	

Loans, Guarantee and Investments made during the Financial Year 2015-16

Name of Entity	Relation	Amount in lacs	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
		NIL		



# ASHIANA ISPAT LIMITED

## ANNEXURE-E FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27107RJ1992PLC006611
2.	Registration Date	25/03/1992
3.	Name of the Company	ASHIANA ISPAT LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
5.	Address of the Registered office & contact details	A-1116, RIICO INDUSTRIAL AREA, PHASE-III, BHIWADI-301019, DIST-ALWAR (RAJASTHAN)
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. 44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028 Ph: 011-41410592-94

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	TMT BARS	27151	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S N	Name of Company	Address	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA	NA

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	1402700	189800	1592500	35.66	1302700	189800	1492500	33.43	-2.23%
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	40000	0	40000	0.90	140000	0	140000	3.14	+2.24%
e) Banks / FI	0	0	0	0	0	0	0	0	



# ASHIANA ISPAT LIMITED

f) Any other	0	0	0	0	0	0	0	0	
<b>Total shareholding of Promoter (A)</b>	1442700	189800	1632500	36.56	1442700	189800	1632500	36.56	--
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks / FI	0	0	0	0	0	0	0	0	
c) Central Govt	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i) Indian	623861	59700	683561	15.31	562771	59700	622471	13.94	-1.37%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	751629	1253835	2005464	44.92	782443	1248535	2030978	45.49	+0.57%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	91552	21000	112552	2.52	90392	21000	111392	2.49	-0.03%
c) Others (specify)									



# ASHIANA ISPAT LIMITED

Non Resident Indians	655	0	655	0.01	2332	0	2332	0.05	+0.04%
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	
Foreign Nationals	0	0	0	0	0	0	0	0	
Clearing Members	11974	0	11974	0.27	26652	0	26652	0.60	+0.33%
Trusts/HUF	18094	0	18094	0.41	38475	0	38475	0.86	+0.45%
Foreign Bodies - D R	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(2):-</b>	1497765	1334535	2832300	63.44	1503065	1329235	2832300	63.44	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1497765	1334535	2832300	63.44	1503065	1329235	2832300	63.44	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>--</b>
<b>Grand Total (A+B+C)</b>	<b>2940465</b>	<b>1524335</b>	<b>4464800</b>	<b>100</b>	<b>2945765</b>	<b>1519035</b>	<b>4464800</b>	<b>100</b>	<b>--</b>

### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PUNEET JAIN	224600	5.03	0.00	445900	9.99	0.00	+4.96%
2	UMA JAIN	94000	2.11	0.00	309690	6.94	0.00	+4.83%
3	NARESH CHAND	220000	4.93	0.00	482500	10.81	0.00	+5.88%
4	VANDANA JAIN	215690	4.83	0.00	0	0	0.00	-4.83%
5	NEERAJ KUMAR JAIN	221300	4.96	0.00	0	0	0.00	-4.96%
6	RENU JAIN	56000	1.25	0.00	0	0	0.00	-1.25%
7	SANJAY KUMAR JAIN	262500	5.88	0.00	0	0	0.00	-5.88%
8	NARESH CHAND (HUF)	97410	2.18	0.00	197410	4.42	0.00	+2.24%
9	NEERAJ KUMAR JAIN & SONS HUF	100000	2.24	0.00	0	0	0.00	-2.24%
10	SWATI JAIN	1000	0.02	0.00	57000	1.28	0.00	+1.26%
11	NAMAN JAIN	100000	2.24	0	0	0	0.00	-2.24%

### C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1632500	36.56	1632500	36.56
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1632500	36.56	1632500	36.56



# ASHIANA ISPAT LIMITED

**D) Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):-

SN	Name	No. of Shares held at the beginning of the year [As on 31-March-2016]		No. of Shares held at the end of the year [As on 31-March-2017]		% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	Kamdhenu Steels & Alloys Ltd	330735	7.41	330735	7.41	--
2.	Satyam Comex Pvt. Ltd.	147016	3.30	152116	3.41	+0.11%
3.	Shree Giriraj Securities Pvt. Ltd.	117295	2.63	117295	2.63	--
4.	Ragini Singhal	45536	1.03	45536	1.03	--
5.	Shailendra Kumar Singhal	34075	0.76	34075	0.76	--
6.	Rajesh Kumar Goyal	26160	0.59	25000	0.56	-0.03%
7.	Manju Singhal	21000	0.47	21000	0.47	--
8.	Mahendra Kumar	16201	0.36	16201	0.36	--
9.	Hem Securities Ltd.	22990	0.51	5000	0.11	-0.40%
10.	Ramakant & Co. Pvt. Ltd.	33000	0.74	0	0	-0.74%

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Name	Shareholding		Increase / Decrease in Promoters Share holding	Reason	Cumulative Share Holding As on 31-03-2017
		At the beginning of the year [01-04-2016]	% of total shares			
	<b>Directors</b>					
1.	Naresh Chand Chairman	220000	4.93	+262500	Acquisition	482500
2.	Neeraj Kumar Jain* Executive Director	221300	4.96	0	Inter-se Transfer	0
3.	Puneet Jain Managing Director	224600	5.03	+221300	Acquisition	445900



## ASHIANA ISPAT LIMITED

4.	Sanjay Kumar Jain* Executive Director	262500	5.88	0	Inter-se Transfer	0
5.	Sh. Naman Jain* Non-Executive Director	100000	2.24	0	Inter-se Transfer	0
6.	Sh. Tarachand Kansal Independent Director	0	0.00	Nil Movement		0
7.	Sh. Rajesh Kumar Pal Independent Director	0	0.00	Nil Movement		0
8.	Sh. Ram Kumar Garg Independent Director	0	0.00	Nil Movement		0
9.	Smt. Shruti Jain Independent Director	0	0.00	Nil Movement		0
	<b>Key Managerial Personnel</b>					
10.	Sh. Harun Rashid Ansari Company Secretary	0	0.00	Nil Movement		0

\*Resigned w.e.f 06.05.2016

### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	276,074,535	278471366	-	554545901
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	276,074,535	278471366		554545901
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	-	-	-	-
* Reduction	73,453,305	28,096,241	-	101,549,546
<b>Net Change</b>	73,453,305	28,096,241	-	101,549,546
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	202,621,230	250,375,125	-	452,996,355
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	202,621,230	250,375,125	-	452,996,355



## ASHIANA ISPAT LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Puneet Jain	
1	Gross salary (Rs. In lacs)	44.90	44.90
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	44.90	44.90
	Ceiling as per the Act		

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. T.C. KANSAL	Mr. Ram Kumar Garg	Mr. Rajesh Kumar Pal	Mrs. Shruti Jain	
1	Independent Directors					
	Fee for attending board committee meetings (Amount in Rs.)	18,000	13,500	18,000	18,000	67,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	18,000	13,500	18,000	18,000	67,500
2	Other Non-Executive Directors	Mr. Naresh Chand				
	Fee for attending board committee meetings (Amount in Rs.)	20,250	-	-	-	20,250
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	20,250	-	-	-	20,250
	Total (B)=(1+2)	38,250	13,500	18,000	18,000	87,750
	Total Managerial Remuneration	38,250	13,500	18,000	18,000	87,750
	Overall Ceiling as per the Act	-	-	-	-	-



# ASHIANA ISPAT LIMITED

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	2.58	-	2.58
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	2.58	-	2.58

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## CORPORATE GOVERNANCE

### 1. Company's philosophy on code of corporate governance:

Our corporate governance system is the reflection of our value based culture encompassing transparency, integrity, relationship with our stakeholders in retaining the trust at all times by following highest levels of accountability and disclosures about the business activities of the Company.

At Ashiana, the principles enshrined in the Corporate Governance framework are followed ethically in letter as well as in spirit. Our Corporate Governance principles ensure that we give accurate and timely disclosures of all material activities and events affecting the Company and its functioning. We believe that well informed and independent Board is the core of the corporate governance practices followed by Ashiana.

The Board has formulated the well-defined corporate governance practices and guidelines which enable us to adhere to the best standards of transparency, accountability, integrity and efficiency. Our Corporate governance practices are illustrated as follows:

### 2. BOARD OF DIRECTORS

#### Composition of Board:

The Board consists of optimum combination of executive, non executive and Independent Directors. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The Board works in a harmonious fashion for achieving the long-term benefit to the Company and stakeholders. As the Directors are in fiduciary relation with the Company, therefore, as trustees, their role is to ensure the Company's motive to earn profits is distinctively aligned with the aim of maximizing the shareholder's value. All members of the Board exercise their duties with due diligence, care and skill necessary for fostering a cordial work culture in the organization.

The Board is being effectively led by the Chairman of the Company, Mr. Naresh Chand. Under his visionary leadership, he ensures that a cordial and nurturing work culture is developed where all members of the Board work in a harmonious fashion for the long-term benefit of the Company.

The Chairman effectively collaborates with the Nomination and remuneration Committee to work upon the matters relating to composition, appointment and remuneration packages of the Board and its Committees.

- (i) The Company has a balance mix of Executive and Non- Executive Directors. Composition and Category of Directors as of March 31, 2017 is as follows:

#### Size and category of Board of Directors

The Board of Directors consists of 6 Directors as on 31<sup>st</sup> March, 2017 as mentioned below:.

Composition and category of Director is as follows:

Non-Executive Director:	Shri Naresh Chand
Executive Director:	Shri Puneet Jain
Non-executive and Independent Directors	Shri Ram Kumar Garg Shri T.C. Kansal Shri Rajesh Kumar Pal Mrs. Shruti Jain

The Company has optimum no. of Independent Directors- more than the requirements of the Companies Act, 2013 and Listing Regulations. All independent directors possess the requisite qualifications and are very experienced in their own fields.

Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The Board periodically reviews the tenure of the Directors in accordance with the provisions of the prevailing law, and accordingly, passes the requisite information to the shareholders about re-appointments to be made in the Annual General Meeting (AGM).

- (ii) **Board Meetings, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees:**

None of the directors on the Board is a member of more than 10 committees and chairman of more than 5 committees

Director	No. of Board meetings attended during the year	Attendance at previous AGM on 28.09.2016	No. of other Directorship(s) held	No. of membership/Chairmanship in Committees	Executive/Non-executive/Independent
1. Mr. Naresh Chand	9	Yes	4	1	Non-Executive
2. Mr. Puneet Jain	9	Yes	4	0	Executive
3. Mr. Ram Kumar Garg	5	Yes	0	0	Non-executive and independent
4. Mr. T. C. Kansal	7	Yes	1	3	Non-executive and independent
5. Mr. Rajesh Kumar Pal	6	Yes	0	2	Non-executive and independent
6. Mrs. Shruti Jain	5	Yes	0	3	Non-executive and independent



## **Familiarization program for Directors**

All new Non-Executive Independent Directors inducted to the Board are being exposed to the familiarization program to understand their role and responsibilities in clear terms and thus to discharge their liabilities in an efficient manner. This familiarization program for all new directors helps in contributing to achieve highest corporate governance standards of the Company and also ensures the familiarization of the new non-executive directors with our values, culture and commitments.

The familiarization program is designed to assist directors help in fully appreciating their roles and to perform their duties in an effective manner.

Also, the policy of separate meetings of independent directors also helps in achieving the goal of updating them with all recent business-related issues whereby the other executive directors throw light on relevant issues by sharing their views, opinions and expertise on those issues.

The familiarization program can be accessed on the company's website at [www.ashianaispat.in/corporate-governance/policies](http://www.ashianaispat.in/corporate-governance/policies).

## **Evaluation of Directors**

In terms of provisions of the Act and Listing regulations, the Board in consultation with Nomination and Remuneration Committee formulates an evaluation program to analyze the performance of the Chairman, the Board and its committees and executive/non-executive/independent Directors through peer evaluation method, whereby a Director is evaluated by all other Directors as against some performance indicators. The Board periodically evaluates the performance of Directors for further improving the effectiveness and functioning of the Board.

## **Number of Board meetings held and the date on which held**

Generally, the Board meets at least once in every quarter to discuss about the quarterly results and other relevant items and also at the time of AGM of the shareholders. Additional Board meetings are convened as per the exigencies/ urgencies of business situations.

Nine Board meetings were held during the year ended March 31, 2017, which were held on as follows; May 4, 2016, May 6, 2016, May 30, 2016, August 12, 2016, September 15, 2016, November 14, 2016, December 23, 2016, February 1, 2017 and February 14, 2017. The maximum interval between the two meetings is as per the statutory limit prescribed.

The Board has unrestricted access to the company related information and the items/ matters which are generally placed before the Board includes the below mentioned items. Also, the representatives who can provide additional insights into the items being discussed are also invited at the Board meetings to answer any query or to give clarifications/

- Quarterly results of the company
- Company's Annual Financial results, Financial Statements, Report of Board and Auditors.
- Minutes of the meeting of Audit Committee and other committees of the Board.
- Appointment, remuneration and resignation of Directors.
- Disclosures of Director's interest and their shareholding.
- Appointment/ removal of KMPs, Internal and Secretarial Auditor
- Declaration of Independent Directors at the time of appointment/ on annual basis
- Significant changes in accounting policies and internal controls
- Statement of significant related party transactions
- Borrowing of monies, giving guarantees or providing security
- Compliance Certificate(s)
- Reviewing the remuneration policy of Board

The Chairman of the Board in consultation with the Company Secretary together finalize the agenda items for Board meetings. Every member of the Board can specify/suggest the items to be incorporated in the agenda. While preparing the agenda items and minutes of the meeting, all the relevant provisions of the Companies Act, 2013 and Listing Regulations are being complied with by the Company Secretary. The agenda of the meeting along with the notice are circulated in advance to all the Directors for facilitating meaningful and focused discussion on the agenda items.

## **Meeting of Independent Directors**

As per Schedule IV of the Companies Act, 2013 and the Rules made thereunder, Independent Directors are required to meet at least once during the year without the attendance of Non-Independent Directors, for the purpose of reviewing the performance of Chairman, access the flow of information and to review the performance of other non-independent Directors. At such meeting, the executive directors and other members of the senior management share their point of view on overall management and affairs of the Company.



The meeting of Independent Directors took place on 18.01.2017 to discuss the various strategic issues relevant to the Company.

### 3. BOARD COMMITTEES

Committees of the Board play a crucial role in enforcing the corporate governance policies in the Company. The Board Committees are set up under the approval of the Board of Directors and their terms are being decided by the Board as per the requirements of the Act and Listing Regulations.

The Chairman of the Board in consultation with the Company Secretary together determines the frequency and duration of the Committee meetings. Generally, 4 committee meetings are held during the year. Every recommendation made by the committees is forwarded to the Board for their consideration and approval.

The Board has established the following committees for their effective functioning:

#### Ø **Audit Committee:**

The Audit committee comprises of 3 independent Directors as on March 31, 2017:- Mr. T.C. Kansal, Mrs. Shruti Jain and Mr. Rajesh Kumar Pal all being non- executive and independent Directors. Shri Md. Harun Rashid Ansari, Company Secretary acts as the Secretary to the audit committee. The Committee is appointed in accordance with the terms of reference specified in writing by the Board which are in line with the Listing Regulations.

#### **Function of Audit Committee:**

The Audit Committee of the Company's is entrusted with the primary responsibility to supervise the company's financial reporting process including:

- ♀ overseeing the company's financial reporting process and disclosure of financial information with highest transparency
- ♀ recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services
- ♀ reviewing with management the quarterly and annual financial results before submission to the Board;
- ♀ reviewing the adequacy of internal control systems with the management, external auditors and internal auditor
- ♀ discussion with external and internal auditors, before the audit commences, the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any.
- ♀ reviewing the appointment and removal of cost auditors.
- ♀ reviewing the matters to be included in the Board's report in terms of Section 134(3) of the Companies Act, 2013
- ♀ overview the compliance with listing regulations and other requirements w.r.t financial statements of the Company
- ♀ reviewing and monitoring the auditor's independence.
- ♀ review and approval of significant related party transactions
- ♀ reviewing and performing such other functions as has been defined in the terms of reference

In order of fulfilling its responsibilities in an efficient manner, the Committee relies on the Management's financial expertise and also on the information provided by internal and statutory auditors. All recommendations made by the Committee during the year were accepted by the Board.

During the year, the committee has met Five times. Attendances of each member at the committee meeting were as follows:

Sl. No.	Name of the Members	Status	No. of Meeting attended
1.	Mr. T.C. Kansal	Chairman & Independent Director	5
2.	Mrs. Shruti Jain	Member & Independent Director	5
3.	Mr. Rajesh Kumar Pal	Member & Independent Director	5

#### Ø **Nomination & Remuneration Committee:**

The Board has constituted the Nomination and Remuneration Committee consisting of Non-executive Independent Directors and its composition is in consonance with the provisions of Companies Act, 2013 and Listing Regulations. Nomination & Remuneration committee consists of 3 Non-executive Independent Directors viz. Sh. T.C Kansal, Mrs. Shruti Jain and Sh. Rajesh Kumar Pal, as on March 31, 2017.

The purpose of the committee is to review individuals qualified to serve as executive, non-executive and independent directors. The Committee identifies and selects persons who are qualified to become Executive Directors, Non-



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Executive Directors and Independent Directors. The committee also designs, recommends and reviews the compensation programmes relating to the remuneration and other benefits for the MD, executive directors and key managerial personnel.

The Committee makes recommendations to the Board relating to election/re-election of the members of the Board by the shareholders and filing of and Board vacancy, as and when arises.

It also oversees the evaluation program of each and every Director to ensure that the Board structure is composed of highly competitive and efficient personnel. The Committee may also evaluate and review the usefulness of such performance parameters and may make amendments in it keeping in view the changing industrial scenario.

The attendance details of the meeting of the Committees are as follows:

Sl. No.	Name of the Members	No. of meeting(s) held	No. of Meeting attended
1.	Mr. T.C. Kansal	2	2
2.	Mrs. Shruti Jain	2	2
3.	Mr. Rajesh Kumar Pal	2	2

Details of remuneration paid to Managing Director/ Whole time –Director are as follows:

During the year, the Committee proposed the revision on remuneration of Sh. Puneet Jain, MD based on his overall contribution to the growth of the Company and also keeping in mind the escalated duties of the Managing Director in today's challenging environment.

Sh. Puneet Jain Managing Director Rs. 5,00,000/- p.m

#### **Remuneration paid to non-executive directors:**

No remuneration is paid to Non-executive Directors except sitting fees for attending the meeting of Board of Directors and committee thereof.

#### **Ø Stakeholders Relationship committee:**

Stakeholders relationship committee is headed by Sh. Naresh Chand, Director of the Company as chairman and comprises two other Directors Sh. T.C. Kansal and Mrs. Shruti Jain as members, as on March 31, 2017. The Committee's composition and terms of reference are in consonance with the requirements of Companies Act, 2013 and Listing Regulations, 2015.

The committee overviews the case of transfer/transmission of shares, issue of duplicate share certificates, review the performance of the Registrar & Transfer Agents and also recommends the measures for the overall improvement in the quality of investor services rendered by the Company and its R&T Agent. The purpose of the Committee is to assist the Board in building a healthy relationship with shareholders.

The Committee expressed satisfaction on Company's performance for redressing the investor's complaints received during the year.

Mr. Harun Rashid Ansari, Company Secretary has been appointed as a Compliance Officer to oversee the compliance with SEBI Listing Regulations, 2015.

The attendance details of the meeting of the Committees are as follows:

Sl. No.	Name of the Members	No. of meeting(s) held	No. of Meeting attended
1.	Mr. Naresh Chand	4	4
2.	Mr. T.C. Kansal	4	4
3.	Mrs. Shruti Jain	4	4

The Committee expresses overall satisfaction with the Company's performance in dealing with investor's grievances which are received during the year.

#### **Share Transfer/ Transmission Committee:**

The Share Transfer / Transmission Committee is formed as per the requirement of relevant rules exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee generally holds meeting on a weekly basis to ensure that all share transfer requests are processed within 15 days from the date of receipt.

#### **4. Whistle Blower Policy/ Vigil mechanism**

The Company has established a well-defined whistle blower mechanism for directors and employees for addressing the grievances/unethical behavior by the employees and also to bring to the attention of management any prima facie



violations of company's code of conduct and applicable laws. The aggrieved employee has direct access to the Chairman of the Audit Committee. No employees or personnel have been denied access to the Audit Committee pertaining to Whistle blower mechanism.

## 5. Code of Conduct for the Board members & Senior Management Team:

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013, the board has framed Code of Conduct for all Board Members and senior management Team. All Board members and senior management have affirmed compliance with the Code as on March 31, 2017 and declaration to that effect, signed by the Managing Director is attached with this report.

The Code of Conduct is also available on the Company's website [www.ashianaipat.in/Investor](http://www.ashianaipat.in/Investor) relations

## 6. General Body Meetings:

The details of the last three Annual General meeting:

Year	Location	Date	Day	Time
2013-14	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan	30.09.2014	Tuesday	11.30 A.M
2014-15	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan	28.09.2015	Monday	09.30 A.M
2015-16	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan	28.09.2016	Wednesday	11.30 A.M

### Remote e-voting at AGM

In order to facilitate hassle free voting and also to ensure larger participation, the Company has provided for remote e-voting facility at AGM for all shareholders. For this purpose, Company has collaborated with CDSL to ensure smooth operations during the voting process.

No resolution was required to be put through postal ballot. None of the business at the ensuing Annual General Meeting is proposed to be passed by postal ballot

## 7. Disclosures

The related party transactions have been disclosed in Notes of Account forming part of the Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2017 and since the necessary disclosures were made in respect of the said transactions to the respective Boards of Directors, no transaction is considered to be in potential conflict with the interests of the company at large.

The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the company during the year except receipt of sitting fee for attending the meetings of the Board/Committee.

There has not been any non-compliance, penalties or strictures imposed on the company by the Stock Exchange (s), Securities and Exchange Board of India or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company has duly complied with all the mandatory provisions of the Listing Regulations.

## 8. Communication to the shareholders

The Company follows the practice of giving timely information on financial performance and other relevant information to the stakeholders and to all Stock Exchanges where the shares of the Company are listed. The quarterly/annual financial results and official news releases are generally published in the newspapers: Business Standard (English & Hindi editions) and are also made available on the Company's website.

The Company also maintains its official website [www.ashianaipat.in](http://www.ashianaipat.in) wherein it maintains a separate and dedicated section called "Investor Relations" wherein all the vital information pertaining to the Company and its performance is displayed.

Annual Reports in the downloadable format are also being provided for in the website and also regularly sent to the shareholders by e-mail, whose e-mail address are available with the Registrar & Transfer Agent and also sent by Registered post to those who have not provided their respective e-mail address or have requested the physical copy.

The printed copy of the Managing Director's Statement is distributed to shareholders at AGM. Managing Director's Statement also forms the part of the Annual Report.

Moreover, the quarterly, Half-yearly and Annual Results and other BSE Filings are also available on the BSE website, [www.bseindia.com](http://www.bseindia.com), which are filed through BSE Listing Centre, for dissemination on the BSE's website.

The Company keeps regular track of the complaints of the investors through a user-friendly web based redressal forum-



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SCORES and resolve complaints in the form of Action Taken Reports (ATRs) which can also be viewed by the complainant shareholder as well as the concerned Stock Exchange.

The quarterly financial results during the financial year 2016-17 were published as follows:

Quarter	Date of publication	Name of Newspapers
Quarter ended 31.03.2016	May 31, 2016	Business Standard (English & Hindi)
Quarter ended 30.06.2016	August 14, 2016	Business Standard (English & Hindi)
Quarter ended 30.09.2016	November 15, 2016	Business Standard (English & Hindi)
Quarter ended 31.12.2016	February 15, 2017	Business Standard (English & Hindi)

### 9. General shareholders information:

#### (a) Company Details

The Company is registered in the State of Rajasthan with Corporate Identity No. (CIN) L27107RJ1992PLC006611. The Company was incorporated on 25/03/1992. The Company follows the financial year beginning from 1<sup>st</sup> of April and ending 31<sup>st</sup> of March, every year.

PLANT LOCATION: A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist-Alwar (Rajasthan)

ADDRESS FOR CORRESPONDENCE: 908-910, Pearl Best Height-II, Netaji Subhash Place, Pitampura, Delhi-110034

#### (b) Annual General Meeting:

Date and time: 31<sup>st</sup> August, 2017 at 09.30 A.M.

A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist-Alwar-Rajasthan.

#### (c) Financial Calendar (tentative and subject to change)

Annual General Meeting	:	31.08.2017, 09.30 A.M
Results for the quarter ending 30.06.2017	:	On or before 15 August, 2017
Results for the quarter ending 30.09.2017	:	On or before 15 November, 2017
Results for the quarter ending 31.12.2017	:	On or before 15 February, 2018
Results for the quarter ending 31.03.2018	:	On or before May, 2018

(c) Book Closure Date : 25.08.2017 to 31.08.2017

d) Listing of Equity Shares : Mumbai (BSE)

**Phiroze Jeebhoy Towers, Dalal Steet, Mumbai-400 001**

The Company has paid the Annual Listing fees for the Financial Year 2017-18.

e) ISIN NO. for the company's equity shares in demat form: INE587D01012

f) Depository Connectivity : NSDL & CDSL

(g) Stock Market Data : **Bombay Stock Exchange (BSE)**

BSE Quote : (ASHISH) -513401

The monthly high and low quotations for the current year are as below:

Month F.Y. 2015-16	High Price	Low Price
Apr 16	7.99	7.56
May 16	8.40	7.19
Jun 16	10.20	8.82
Jul 16	10.00	9.10
Aug 16	9.70	9.15
Sep 16	10.00	9.15
Oct 16	10.08	9.15
Nov 16	10.58	9.35
Dec 16	12.50	10.00
Jan 17	16.05	12.50
Feb 17	19.75	14.75
Mar 17	19.75	19.50



## ASHIANA ISPAT LIMITED

### (h) Status of dematerialization as on 31.03.2017

Shares held in demat and physical modes are as follows:

Particulars	No. of shares	% of capital
NSDL	2377093	53.24
CDSL	568672	12.74
<b>Total Dematerialized</b>	<b>2945765</b>	<b>65.98</b>
PHYSICAL	1519035	34.02
<b>TOTAL</b>	<b>4464800</b>	<b>100.00</b>

### (i) Registrar & Share Transfer Agent and : Link Intime India Private Ltd.

44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028, Ph-011-41410592-94

### Share Transfer System:

The Board has delegated authority for approving transfer, transmission etc. of shares to the Stakeholder's Relationship Committee, who will approve the relevant transfers after being reviewed and approved by the Company Secretary, and the same will be forwarded to the Registrar & Share Transfer Agent. The decisions of the committee will be considered in the Board Meeting.

The Company also obtained certificate from a Company Secretary in Practice w.r.t share transfer formalities under Regulation 40(9) of the Listing Regulations and files the same with the Stock Exchange on half-yearly basis.

### (j) Shareholding pattern as on 31.03.2017

Sl. No.	Category	No. of shares	Percentage
1	Promoters	1632500	36.56
2	Indian Financial Institutions, Banks, Mutual Funds	0	0
3	Foreign Institutional Investors/ NRIs	0	0
4	Others	2832300	63.44
	<b>Total</b>	<b>4464800</b>	<b>100.00</b>

### (k) Distribution on shareholding as on 31.03.2017

Shares holding of nominal value of Rs.	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
1-500	10514	96.87	1510590	33.83
501-1000	184	1.70	156384	3.50
1001-2000	74	0.68	119060	2.67
2001-3000	20	0.18	51473	1.15
3001-4000	11	0.10	40311	0.90
4001-5000	14	0.13	65821	1.48
5001-10000	15	0.14	110403	2.48
10001 & ABOVE	22	0.20	2410758	53.99
<b>Total</b>	<b>10854</b>	<b>100.00</b>	<b>4464800</b>	<b>100.00</b>

### Auditor's Certificate on Corporate Governance

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Auditor's Certificate certifying the compliance with Listing Regulations forms part of this Report.

### CEO/CFO certification'

The requisite certificate is provided in this Report in terms of (Listing Obligations and Disclosure Requirements) Regulations, 2015



## COMPLIANCE OF NON MANDATORY REQUIREMENTS

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

**(I) CHAIRMAN OF THE BOARD:**

Mr. Naresh Chand is the chairman of the Board.

**(II) BOARD PROCEDURE:**

Members of the Board are provided with the requisite information mentioned in the Listing Regulations well before the meeting and same are considered and decisions are taken.

All the directors who are on various committees are within the permissible limits of the Listing Regulations. These directors have intimated from time to time about their membership in the various committees in other companies.

**(III) TRAINING OF BOARD MEMBERS:**

The necessary training is provided to the board members as and when required.

**(IV) SHARE HOLDERS RIGHTS:**

As the company's financial results are published in an English newspaper having wide circulation all over India and in Hindi newspaper widely circulated in NCR Delhi including Bhiwadi, the same are not sent to the shareholders of the company individually. The company's un-audited quarterly/ half yearly and annual audited results are also posted in the company's website.

**(V) AUDIT QUALIFICATION:**

Company's financial statements are unqualified.

The above report was adopted by the Board of Directors at their meeting held on 01.08.2017.

**Declaration regarding compliance of code of conduct:**

**I, Puneet Jain, Managing director of Ashiana Ispat Limited hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the code of conduct during the financial year ended 31.03.2017.**

Place: Bhiwadi.

Date: 01.08.2017

(Puneet Jain)  
Managing Director  
DIN: 00814312



## ASHIANA ISPAT LIMITED

### AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

To the Members of

#### ASHIANA ISPAT LIMITED

We have examined the implementation of conditions of Corporate Governance by ASHIANA ISPAT LIMITED (the company) during the year ended 31.03.2017, as has been provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

On the basis of our review and according to the information and explanations provided to us, the conditions of corporate Governance as stipulated in the abovementioned Listing Regulations, as applicable have been complied with in all material respect by the Company.

**For S.Singhal & Company**  
**Chartered Accountants**  
**Registration No. 001526C**

**Place: Bhiwadi**

**Date: 01.08.2017**

**Sd/-**  
**(Rakesh Gupta)**  
**Partner**  
**M.No.073846**

#### CEO CERTIFICATION:

Managing Director and Manager Finance & Accounts have certified to the Board that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading with respect to the period covered by this report.
  - (b) These statements together present in all material respects a true and fair view of the Company's affairs, the financial condition and cash flows of the Company and are in compliance with existing accounting standards and/or applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining disclosure controls and procedures for internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and that there have been no significant changes in internal controls. We have disclosed to the Company's auditors and the audit committee of the Company's Board that there are no deficiencies in the internal control and there have been no material weaknesses in internal controls including any corrective action with regard to deficiencies.
4. We hereby declare that all the members of the Board of Directors have confirmed compliance with the Code of Conduct as adopted by the Company.
5. We affirm that we have not denied access to the audit Committee by any personnel for reporting under Vigil Mechanism and have provided sufficient protection under it.

**Place: Bhiwadi**

**Date: 01.08.2017**

**For and on behalf of the Board**  
**For Ashiana Ispat Limited**  
**(Naresh Chand) (Puneet Jain)**  
**Chairman Managing Director**  
**DIN: 00004500 DIN: 00814312**



## MANAGEMENT DISCUSSION AND ANALYSIS

### [A] FINANCIAL REVIEW

The global economy began its modest recovery in the FY 2016-17. A combination of persistent inflation, fiscal imbalances and low investments resulted in sluggish domestic demand growth.

Your Company registered a healthy performance during 2016-17. Gross revenues have increased by 5.92% and profitability margins have shown a considerable improvement. EBDIT stood at Rs. 944.82 Lacs. EPS for the year was recorded at Rs. 6.95 as compared to Rs. 1.49 in the previous year. Your Company's performance was driven primarily due to the belief that Ashiana has some of the best talents in the industry to produce the world-class steel and is committed to become the leading manufacturer of steel in the coming times.

The Company's Financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the provisions of the Companies Act, 2013 and guidelines issued by SEBI. Our management accepts responsibility for the integrity and objectivity of these financial statements as well as for the estimates and judgment used therein. The estimates and judgment used have been made on reasonable basis so that the financial statements depict our state of affairs in a true and fair manner.

### [B] INDUSTRIAL OUTLOOK

In September 2016, steel production in India grew by 8.5 per cent to 7.8 MT as compared to 7.2 MT in the same month last year.

The steel industry reflects the overall economic growth of an economy in the long term as demand for steel is derived from other sectors like automobiles, consumer durables and infrastructure.

A big challenge before the Indian Steel Industry is to sustain growth, avoid obsolescence of existing facilities and improve the newly adopted technologies.

### [C] OPPORTUNITY, THREATS, RISK & CONCERN

Driven by rising infrastructure development & growing demand for automobiles, steel consumption is expected to reach 104 MT by 2017. During the month of September 2016, consumption of finished steel was estimated at 6.7 MT, showing a significant improvement of 7.6 per cent on year on year basis

In FY17 India imported 6.1 MT of steel, and steel exports from the country increased to 5.87 MT in FY17 from 4.08 MT during FY16. In February 2017, steel exports from the country increased by 150 per cent while imports declined by 40 per cent.

Our expertise and methodologies have steered the enhancement of performance of the Company, reduce costs and achieve measurable value. Our sophisticated manufacturing processes, standards and quality framework and timely delivery allow us to opt for value optimization and enhancing business value, productivity and quality.

The future of the Indian steel industry is bright. The government plans to increase infrastructure spending from the current 5 per cent GDP to 10 per cent by 2017, and the country is committed to investing US\$ 1 trillion in infrastructure during the 12th Five-Year plan. With urban population increasing globally, there is a greater need for steel to build public-transport infrastructure.

Main problems relate to technological obsolescence in older plants and quality constraints of raw material. It is, therefore, imperative that the industry must resolve to change the scenario, by finding innovative solutions to the problems by pursuing relevant R&D for its long-term survival and growth. Increased cost of raw materials is also one of the biggest threat for the steel industry.

### [D] OUTLOOK

Indian steel industry plays crucial role in development of nation and is considered as the backbone of civilization and the level of per capita consumption of steel is an important determinant of the socio-economic development of the country.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025.

With expectations of the new government's thrust on jump starting stalled projects initially followed by pushing large flagship projects it is expected that India will begin moving back on the path of materials intensive growth by the end of this year.

Our strategic objective is in building a sustainable organization which strives for creating value to the business and its investors and achieving a level of profitable growth for its stakeholders.



The infrastructure sector is India's largest steel consumer, thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority right now. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure; therefore, its fortune is dependent on the growth of these user industries.

"Ashiana" is also focusing its attention on targeted business development to increase our presence in the unexplored territories and market segments.

Goods and Services Tax (GST) as approved by the Government in the year 2016, is a landmark reform which will have a lasting impact on the economy and on businesses. The Government has announced an intention to go live on GST on 1st July, 2017 and your Company will be ready for this transformative reform.

## **[E] INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has a proper and adequate system of internal control procedures, commensurate with its size and nature of business, to achieve the following business objectives:

- (i) protection of all assets and resources against loss from unauthorized use or disposition,
- (ii) that transactions are authorized, recorded and reported correctly.

The internal control system provides for well- documented policies, guidelines, authorizations and approval procedures.

## **[F] INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT**

The industrial relations have been cordial and satisfactory. The company feels that its employees feel valued and endeavours to create such working environment whereby each one would be able to deliver his best performance for attaining the objectives of the company. Our people are the biggest assets. Your Company is focussed on building a high-performance culture with a growth mindset where employees are engaged and empowered to be the best they can be. Developing and strengthening capabilities of all employees in your Company has remained an ongoing priority. Our employees are given the productive work environment and competitive compensation so that they strive to fulfil their needs and aspirations along with the Company's overall growth.

## **[G] CAUTIONARY STATEMENT**

Facts and figure in the Management's Discussion and Analysis describe the company's views over iron and steel sector, projection and estimates may be "forward looking prediction" based on the national/ international prediction about the prospect of the iron and steel industry. Actual results could differ materially from those expressed or implied, depending on the economic environment, government policies and other incidents.



## Independent Auditors' Report

To the Members of

**Ashiana Ispat Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Ashiana Ispat Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in **Annexure - I** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



## ASHIANA ISPAT LIMITED

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure II**"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company had Provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the Period from 08<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts Maintained by the Company

**For S. SINGHAL & CO.**

Chartered Accountants

Firm Registration No.: 001526C

**(R. K. Gupta)**

Partner

Membership No.: 073846

Place: Bhiwadi

Date: 30<sup>th</sup> May, 2017



## Annexure I to Independent Auditors' Report (Referred to in paragraph 1 under the heading of Report on other legal & Regulatory requirement in our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that

1. a. The company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
- b. The fixed assets has been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
3. According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information and explanation given to us the Company has not granted any loans, guarantees, and security where in the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
5. The Company has not accepted deposits from public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the central government under section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained, however, we have not made a detailed examination of such cost records..
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities except for delays in some cases. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs. 35.59 Lacs their against Rs. 7.36 Lacs has been deposited under protest on account of disputed matters pending before appropriate authorities as per details given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.in Lacs)	Forum where Dispute is pending
Income Tax Act	Income Tax Matters	A.Y. 2014-15	33.33	ITAT, Jaipur
	Income Tax Matters	A.Y. 2013-14	2.26	C I T ( Appeals), Alwar

8. The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any debentures.
9. According to the information and explanation given to us and records examined by us Company has not taken any term loan during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year
10. According to the information and explanation given to us, no fraud on or by the company or on the Company by its officers or employees has been noticed and reported during the year.
11. The Company has paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Company Act.
12. The Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us transactions with the related parties are in compliance with



## ASHIANA ISPAT LIMITED

Section 177 and 188 of Act, wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. According to the information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For S. SINGHAL & CO.**

Chartered Accountants

Firm Registration No.: 001526C

**(R. K. Gupta)**

Partner

Membership No.: 073846

Place: Bhiwadi

Date: 30<sup>th</sup> May, 2017



## **Annexure II to Independent Auditors' Report (Referred to in our report of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Ashiana Ispat Limited ("the Company") as at 31st March 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017 based on the internal financial controls over financial reporting criteria established by the company considering the essential component of internal controls as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

## **For S. SINGHAL & CO.**

Chartered Accountants

Firm Registration No.: 001526C

## **(R. K. Gupta)**

Partner

Membership No.: 073846

Place: Bhiwadi

Date: 30<sup>th</sup> May, 2017



# ASHIANA ISPAT LIMITED

## BALANCE SHEET AS AT 31.03.2017

Particulars	Note	Amount in Rs	
		As at 31.03.2017	As at 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	44,648,000	44,648,000
(b) Reserves and Surplus	2	216,677,256	186,591,615
		<b>261,325,256</b>	<b>231,239,615</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	240,348,532	208,735,904
(b) Deferred Tax Liabilities (Net)	4	7,845,353	8,379,617
(c) Other Long Term Liabilities	5	80,555	873,977
(d) Long Term Provisions	6	1,643,507	1,457,575
		<b>249,917,947</b>	<b>219,447,073</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	212,727,358	347,888,483
(b) Trade Payables	8	57,718,684	131,335,477
(c) Other Current Liabilities	9	83,198,336	61,750,117
(d) Short-Term Provisions	10	23,544,474	14,325,567
		<b>377,188,852</b>	<b>555,299,644</b>
		<b>888,432,055</b>	<b>1,005,986,332</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	11	201,843,949	192,534,432
(ii) Depreciation		114,124,145	101,587,147
(iii) Net Block		<b>87,719,804</b>	<b>90,947,285</b>
(b) Non-current investments	12	-	8,777,250
(c) Long term loans and advances	13	11,978,943	11,274,347
(d) Other non-current assets	14	22,493,713	3,888,348
		<b>34,472,656</b>	<b>23,939,945</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	229,129,416	258,144,785
(b) Trade receivables	16	438,866,580	536,806,379
(c) Cash and cash equivalents	17	9,736,118	15,296,925
(d) Short-term loans and advances	18	13,734,511	17,032,040
(e) Other current assets	19	74,772,970	63,818,973
		<b>766,239,595</b>	<b>891,099,102</b>
		<b>888,432,055</b>	<b>1,005,986,332</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 36

**As per Our Report of even date**

**FOR S. SINGHAL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 001526C

**(R.K. GUPTA)**  
Partner  
Membership No. : 073846

Place:- Bhiwadi  
Date:- 30.05.2017

**(Naresh Chand)**  
Chairman  
DIN 00004500

**(Puneet Jain)**  
Managing Director  
DIN 00814312

**(Harun Rashid Ansari)**  
Company Secretary  
ACS 11147



# ASHIANA ISPAT LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

Particulars	Note	Amount in Rs	
		As at 31.03.2017	As at 31.03.2016
<b>INCOME</b>			
Gross Revenue from operations	20	2,287,893,295	2,160,001,737
Less Excise Duty		255,752,172	238,368,853
<b>Net Revenue from operations</b>		<b>2,032,141,123</b>	<b>1,921,632,884</b>
Other Income	21	53,174,824	57,038,241
<b>Total Revenue</b>		<b>2,085,315,947</b>	<b>1,978,671,125</b>
<b>EXPENDITURE:</b>			
Cost of materials consumed	22	1,558,589,923	1,562,906,546
Purchase of Stock-in-Trade		614,890	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	12,280,565	(12,303,641)
Employee Benefit Expense	24	22,176,555	20,851,370
Finance Costs	25	37,101,755	48,890,907
Depreciation and Amortisation		14,606,374	13,853,028
Other Expenses	26	395,509,539	335,718,640
<b>Total Expenses</b>		<b>2,040,879,601</b>	<b>1,969,916,850</b>
<b>Profit before Tax</b>		<b>44436346</b>	<b>8,754,276</b>
<b>Tax expense:</b>			
(1) Current tax		13,955,657	3,087,963
(2) Deferred tax		(534263)	(809662)
<b>Profit for the year</b>		<b>31014952</b>	<b>6475974</b>

### Earning per equity share of face value of Rs 10 each:

Basic and Diluted	6.95	1.49
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Significant Accounting Policies  
Notes on Financial Statements 1 to 36

*As per Our Report of even date*

**FOR S. SINGHAL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 001526C

**(R.K. GUPTA)**  
Partner  
Membership No. : 073846

**(Naresh Chand)**  
Chairman  
DIN 00004500

**(Puneet Jain)**  
Managing Director  
DIN 00814312

Place:- Bhiwadi  
Date:- 30.05.2017

**(Harun Rashid Ansari)**  
Company Secretary  
ACS 11147



# ASHIANA ISPAT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR YEAR ENDED 31ST MARCH 2017

( Amount in Rs. )

Particulars	2016-17	2015-16
<b>[ A ] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	44,436,346	8,754,275
<b>Adjustments For :-</b>		
Depreciation	14,606,374	13,853,028
Interest Paid	35,439,347	48,890,907
Interest Income	(3,450,713)	(2,144,209)
Profit on sale of Investment	(6,144,075)	-
Loss on Sale of Vehicle	177,293	-
<b>Operating Profit Before Working Capital Changes</b>	<b>85,064,571</b>	<b>69,354,001</b>
<b>Adjustments For :-</b>		
Long term loans and advances	(704,596)	(3,097,742)
Other non-current assets	(18,605,365)	17,173,866
Trade receivables	97,939,797	82,221,703
Short-term loans and advances	3,297,529	2,203,229
Other current assets	(10,953,997)	36,550,308
Inventories	29,015,369	(86,793,453)
Other Long Term Liabilities	(793422)	101,498
Long Term Provisions	185932	131,936
Trade Payables	(73,616,793)	(35,937,425)
Other Current Liabilities	21448218	5,795,621
Short-Term Provisions	(4,736,750) -	5,906,568
<b>Cash from Operation</b>	<b>127,540,495</b>	<b>81,796,977</b>
<b>Cash Flow Before Extraordinary Items</b>	<b>127,540,495</b>	<b>81,796,977</b>
Income Tax Paid for earlier year	(929,311)	(3,032,784)
<b>Net Cash From Operating Activities</b>	<b>126,611,184</b>	<b>78,764,193</b>
<b>[ B ] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase Of Fixed Assets	(14,062,044)	(11,910,009)
Sale of Fixed Assets	2,505,860	-
Interest Received	3,450,713	2,144,209
Sale of Investment	14,921,325	-
<b>Cash Used in Investing Activities</b>	<b>6,815,854</b>	<b>(9,765,800)</b>
<b>[ C ] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost Paid	(35,439,347)	(48,890,907)
Increase in share capital (Call in Arrear received)	-	2,033,000
Proceeds From Long/ Short Term Borrowings	(103,548,497)	(68,719,172)
<b>Cash Used/ Generated in Financing Activities</b>	<b>(138,987,844)</b>	<b>(115,577,079)</b>
<b>Net Increase/ (Decrease) In Cash and Cash Equivalents</b>	<b>(5,560,806)</b>	<b>(46,578,686)</b>
Cash and Cash Equivalents (Opening Balances)	15,296,925	61,875,612
<b>Cash and Cash Equivalents (Closing Balances)</b>	<b>9,736,118</b>	<b>15,296,925</b>

**Note to cash flow statement:**

- 1 Cash Flow Statement has been prepared as per AS-3 issued by the ICAI.
- 2 Figures in Bracket represents outflows.
- 3 Previous year figure have been regrouped/reclassified wherever applicable
- 4 Cash and Cash Equivalents included in the cash flow statement comprise the following:

**Balance Sheet Amount**

Cash in Hand	1,297,498	10,117,670
Balance with banks:		
-Current Accounts	436,070	5,179,255
-Fixed Deposits	8,002,550	-
	<b>9,736,118</b>	<b>15,296,925</b>

*As per Our Report of even date*

**FOR S. SINGHAL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Reg. No.: 001526C

**(R.K. GUPTA)**  
 Partner  
 Membership No. : 073846  
 Place:- Bhiwadi  
 Date:- 30.05.2017

**(Naresh Chand)**                      **(Puneet Jain)**  
 Chairman                                      Managing Director  
 DIN 00004500                                      DIN 00814312

**(Harun Rashid Ansari)**  
 Company Secretary  
 ACS 11147



## ASHIANA ISPAT LIMITED

### Auditor's Certificate

The above Cash Flow Statement has been compiled from and is based on the audited accounts of ASHIANA ISPAT LIMITED for the year ended 31st March, 2017 reported upon by us on 30th May 2017, According to the informations and explanations given, the aforesaid Cash Flow Statement has been prepared in accordance with Clause 32 of the Listing Agreement and reallocations required for the purpose are as made by the Company.

For S. Singhal & Co.

Chartered Accountants

Firm Reg. No.: 001526C

(R.K. Gupta)

Partner

Membership No. : 073846

Place: Bhiwadi

Date : 30.05.2017



## Significant Accounting policies

### 1 **Basis of Accounting**

The financial statements are prepared under historical cost convention on a going concern basis in accordance with the accepted accounting principles and to comply with Accounting Standards referred to in Section 133 of the Companies Act 2013 read with Rule 7 of Company (Accounts) Rules, 2014 to the extent applicable.

### 2 **Use of Estimate**

The Preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period.

### 3 **System of Accounting**

The Company adopts the accrual basis in the preparation of accounts

### 4 **Fixed Asset**

- (a) Fixed Asset are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost.
- (b) Expenditure on renovation/ modernization relating to existing fixed assets is added to the cost of such assets where it increases its performance / life significantly.

### 5 **Investment**

Investment are carried at cost. Profit or loss, if any would be accounted for on actual realization.

### 6 **Inventories Valuation**

- (a) Raw Material , Stock in- Process and stores and spares and Traded Goods are valued at cost.
- (b) Waste and Scrap & Runner / Risers are valued at realizable value.
- (c) Finished Goods are valued at cost or market price whichever is less.

The Value of finished goods is included excise duty as applicable on the closing stock.

### 7 **Depreciation**

- (a) Cost of Lease Hold Land is not amortized since Lease is for a Long Period.
- (b) Deprecation on fixed assets is provided on SLM method on the basis of useful life of the fixed assets. The Company has adopted useful life of fixed assets as given in Part 'C' of Schedule II of the Companies Act, 2013 in respect of all fixed assets.

### 8 **Sale / Revenue Recognition**

- (a) Sales are net of Sales tax and sales returns. Revenue from sales is recognized when risk and reward of ownership are transferred to the customers.
- (b) Interest income is recognized on time proportion basis.
- (c) Other Revenue Income are recognised as and when accrued to the Company.

### 9 **Impairment of Assets**

There are no indication of overall impairment in assets hence the need to make an estimation of re-coverable amount does not arise.

*As per Our Report of even date*

**FOR S. SINGHAL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 001526C

**(R.K. GUPTA)**  
Partner  
Membership No. : 073846  
Place:- Bhiwadi  
Date:- 30.05.2017

**(Naresh Chand)**  
Chairman  
DIN 00004500

**(Puneet Jain)**  
Managing Director  
DIN 00814312

**(Harun Rashid Ansari)**  
Company Secretary  
ACS 11147



# ASHIANA ISPAT LIMITED

## Notes on Financial Statement for the year ended 31.03.2017

### Note : 1 Share Capital

Sr. No	Particulars	Amount in Rs	
		As at 31.03.2017	As at 31.03.2016
1.1	<b>AUTHORIZED CAPITAL</b> 150,00,000 Equity Shares of Rs. 10/- each.	150,000,000	50,000,000
1.2	<b>ISSUED</b> 44,64,800 Equity shares of Rs. 10/- each fully paid	150,000,000	50,000,000
		<u>44,648,000</u>	<u>44,648,000</u>
1.3	<b>SUBSCRIBED &amp; PAID UP CAPITAL</b> 44,64,800 Equity shares of Rs. 10/- each	44,648,000	44,648,000
	<b>Total</b>	<u>44,648,000</u>	<u>44,648,000</u>
1.4	The Details of Shareholders holding more than 5% shares:		
	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
	<b>Name of shareholders</b>	<b>No. of Shares</b>	<b>% held</b>
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>
	Puneet Jain	445900	9.99
	Kamdhenu Steel & Alloys Ltd	330735	7.41
	Naresh Chand	482500	10.80
	Uma Jain	309690	6.94
	Sanjay Jain	0	0.00
		224600	5.03
		330735	7.41
		220000	4.93
		94000	2.11
		262500	5.88
1.5	The Reconciliation of the number of shares outstanding is set out below:		
	<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
		<b>No. of Shares</b>	<b>No. of Shares</b>
	Equity Shares at the beginning of the year	4464800	4464800
	Addition during the year	NIL	NIL
	Equity Shares at the end of the year	4464800	4464800

### Note : 2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	<b>Surplus (Profit &amp; Loss Account)</b>		
	Balance brought forward from previous year	186,591,615	183,148,425
	Add: Profit for the period	31014952	6,475,974
	Less: Taxes of earlier years and others	929,311	3,032,784
	<b>Total</b>	<u>216,677,256</u>	<u>186,591,615</u>

### Note : 3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	<b>Vehicle Loans Secured against Hypothecation of Vehicles:</b>		
	HDFC Bank Car Loan	79,535	2,078,486
2	<b>Unsecured Loan</b>		
	From Body Corporate	172,342,768	155,997,842
	From Directors	67,926,229	50,659,576
	<b>Total</b>	<u>240,348,532</u>	<u>208,735,904</u>

### Note : 4 Deferred Tax liabilities(net)

Sr.No.	Particulars	As at 31.03.2017	As at 31.03.2016
	<b>Deferred Tax Liabilities</b>		
	On Diff. in WDV as per IT Act and as per Companies Act	8,379,142	8,854,369
	<b>Deferred Tax Assets on:-</b>		
	Gratuity(Unfunded)	533,790	474,753
	<b>Net Deferred Tax Liabilities</b>	<u>7,845,352</u>	<u>8,379,616</u>

### Note : 5 Other Long Term Liabilities

Sr.No.	Particulars	Amount in Rs	Amount in Rs
		As at 31.03.2017	As at 31.03.2016
1	Sundry Creditors -Capital goods	80,555	873,977
	<b>Total</b>	<u>80,555</u>	<u>873,977</u>



# ASHIANA ISPAT LIMITED

## **Note : 6 Long Term Provisions**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Gratuity Payable(Unfunded)	1,643,507	1,457,575
<b>Total</b>		<b>1,643,507</b>	<b>1,457,575</b>

## **Note :7 Short Term Borrowings**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
a	<b>Secured Loan from Bank</b>		
	Working Capital Loan	202,621,230	276,074,535
	From State Bank of Bikaner & Jaipur , Delhi secured by first charge on the entire current assets of the company, including raw material, store & spares, stock in process, finished goods, book-debts and other current assets etc.		
	Additionally secured by the followings :-		
	a) Extension of first exclusive charge on Company' s Factory Land and Building at A-1116 & 1119/H-21 -25, Phase III, Bhiwadi, Alwar, Rajasthan		
	b) Extension of First Charge on Company's entire fixed assets		
	c) Personal Guarrantee of two Directors		
b	<b>Unsecured Loans</b>		
	From Body Corporate	-	8,909,169
	From Directors	10,106,128	62,904,779
<b>Total</b>		<b>212,727,358</b>	<b>347,888,483</b>

## **Note : 8 Trade Payables**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Sundry Creditors	57,718,684	131,335,477
<b>Total</b>		<b>57,718,684</b>	<b>131,335,477</b>

## **Note : 9 Other Current Liabilities**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	<b>Current Maturities of Vehicle Term Loans secured against the Vehicles:</b>		
	HDFC Bank Car Loan	1,998,952	1,809,001
2	<b>Statutory Dues Payable</b>		
	Excise and Service Tax payable	54,736	130,675
	TDS & TCS Payable	1,588,554	460,235
	Vat Payable	6,425,762	7,001,232
3	<b>Employee Benefits Payable</b>		
	Salary Payable	1,132,048	841,835
	Bonus & Ex-Gratia Payable	595,184	549,493
	ESI Payable	74,961	57,095
	PF Payable	239,366	183,671
4	Advance from customers	70,851,237	50,665,395
5	Expenses Payable	237,535	51,485
<b>Total</b>		<b>83,198,336</b>	<b>61,750,117</b>

## **Note :10 Short Term Provisions**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Provision of Excise Duty on Closing Stock	2,721,207	3,198,367
2	Income Tax Provision	13,955,657	3,087,963
3	Gratuity Payable	83,968	78,842
4	Telephone Expenses payable	56,306	41,782
5	Power Expenses payable	6,228,684	7,570,844
6	Audit Fee Payable	292,500	135,000
7	ISI Expenses Payable	152,152	133,769
8	Professional Charges Payable	54,000	79,000
<b>Total</b>		<b>23,544,474</b>	<b>14,325,567</b>



# ASHIANA ISPAT LIMITED

Note : 11 FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2016	Addition	Sale	As at 31.03.2017	Up to 31.03.2016	For the Year	Up to 31.03.2017	As At 31.03.2017	As At 31.03.2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Tangible Assets</b>									
Land	4,982,220	-	-	4,982,220	-	-	-	4,982,220	4,982,220
Building	25,277,881	2,621,999	-	27,899,880	11,713,556	785,913	12,499,469	15,400,411	13,584,325
Plant & Machinery	120,022,539	8,587,271	-	128,609,810	70,621,265	8,599,529	79,220,794	49,389,016	49,401,273
Coal Gassifier	1,128,674	-	-	1,128,674	186,729	33,328	220,058	908,616	941,945
Laboratory Equipments	31,96,579	31,96,579	-	3,196,579	715,210	313,867	1,029,077	2,167,502	2,481,369
Office Equipments	1,574,382	283,498	-	1,857,880	1,108,951	152,183	1,261,134	596,747	465,432
Vehicles	35,383,829	2,780,653	(4,752,529)	33,411,953	17,076,717	4,639,657	19,646,999	13,764,954	18,307,112
Computers	195,319	416,746	-	612,065	88,907	71,097	160,004	452,061	106,411
Furniture & Fixtures	128,375	-	-	128,375	60,392	10,800	71,191	57,184	67,984
Tube-well	16,512	-	-	16,512	15,420	-	15,420	1,092	1,092
<b>Total</b>	<b>191,906,311</b>	<b>14,690,167</b>	<b>(4,752,529)</b>	<b>201,843,949</b>	<b>101,587,148</b>	<b>14,606,374</b>	<b>114,124,145</b>	<b>87,719,804</b>	<b>90,319,163</b>
<b>Intangible Assets</b>									
Capital Work-in-progress P & M	628,122	(628,122)	-	-	-	-	-	-	628,122
<b>Grand Total</b>	<b>192,534,433</b>	<b>14,062,045</b>		<b>201,843,949</b>	<b>101,587,148</b>	<b>14,606,374</b>	<b>114,124,145</b>	<b>87,719,804</b>	<b>90,947,285</b>
<b>Previous Year's Figures</b>	<b>181,610,066</b>	<b>11,910,009</b>		<b>192,534,432</b>	<b>87,734,120</b>	<b>13,853,028</b>	<b>101,587,148</b>	<b>90,947,285</b>	<b>92,890,303</b>



# ASHIANA ISPAT LIMITED

**Note : 12 Non Current Investment**

Sr. No	Particulars	Amount in Rs	
		As at 31.03.2017	As at 31.03.2016
<b>1Investment in Equity Instrument</b>			
a	Shares of Ashiana Manufacturing India Ltd., Investment in 585150 Equity shares of Rs. 10 each @ Rs. 5 Premium Per share,	-	8,777,250
	<b>Total</b>	<b>-</b>	<b>8,777,250</b>

**Note : 13 Long Term Loans and Advances**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1Security Deposit</b>			
	Unsecured, Considered Good :	11,243,363	11,274,347
2	Income Tax Deposit against Demand	735,580	-
	<b>Total</b>	<b>11,978,943</b>	<b>11,274,347</b>

**Note : 14 Other Non Current Assets**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
<b>Others Unsecured, considered good</b>			
1	Advances for Capital goods	22,493,713	33,000
2	Service Tax (Refund filed with Department)	-	3,855,348
	<b>Total</b>	<b>22,493,713</b>	<b>3,888,348</b>

**Note : 15 Inventories**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Raw Material	190,426,656	207,009,192
2	Work-in-Progress	1,698,480	1,614,383
3	Finished Goods	24,743,131	34,396,363
4	Stores & Spares	5,795,822	7,399,238
5	Stock of Traded Goods	-	-
6	Waste and Scrap & Runner Riser	966,163	3,677,593
7	Others (Ferro Alloys, Coal etc)	5,499,164	4,048,016
	<b>Total</b>	<b>229,129,416</b>	<b>258,144,785</b>

**Note : 16 Trade Receivables**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured considered good unless stated otherwise.			
a.	Trade Receivables outstanding for a period of more than six month from the date they are due for payment.	73,995,667	94,258,960
b.	Others	364,870,913	442,547,419
	<b>Total</b>	<b>438,866,580</b>	<b>536,806,379</b>

**Note : 17 Cash & Cash Equivalent**

Sr. No	Particulars	Amount in Rs	
		As at 31.03.2017	As at 31.03.2016
<b>1Cash in Hand</b>			
	Cash Balance	1,297,498	10,117,670
<b>2Bank Balance</b>			
	In Current Accounts	436070	5,179,255
	FDR With Bank	8,002,550	-
	<b>Total</b>	<b>9,736,118</b>	<b>15,296,925</b>

**Details of Specified Bank Notes from 08.11.16 to 30.12.16**

	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	3940000	1724334	5664334
Add Permitted Receipts	0	15033	15033
Add Withdrawal from Banks	0	584000	584000
Less Permitted Payments	0	1408694	1408694
Less Amount Deposited in Banks	3940000	0	3940000
<b>Closing Cash in hand as on 30.12.16</b>	<b>0</b>	<b>914673</b>	<b>914673</b>



# ASHIANA ISPAT LIMITED

## Note :18 Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Advance Recoverable in cash or in kind or for value to be considered good		
	-Related parties	-	-
	- Others	2,935,911	1,344,364
2	Balance with Excise & Service Tax Department	2,826,951	6,719,756
3	Advance Income Tax and TDS/TCS	6,598,732	7,672,631
4	Prepaid Expenses	1,372,917	1,295,289
	<b>Total</b>	<b>13,734,511</b>	<b>17,032,040</b>

## Note :19 Other Current Assets

Sr No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Balance with Sales Tax Department	3,578,794	16,707,946
2	Advance to Suppliers	65,101,327	34,125,611
3	Interest Receivable on JVVNL Security	699,815	782,006
4	Insurance Premium Refundable	69811	43,002
5	Income Tax Refundable	5,323,223	12160408
	<b>Total</b>	<b>74,772,970</b>	<b>63,818,973</b>

## Note : 20 Revenue from Operations

Sr. No	Particulars	Amount in Rs As at 31.03.2017	Amount in Rs As at 31.03.2016
1	Gross Sale of Products	2,284,246,148	2,144,308,517
2	Other Operating Revenue :		
	Income from Consignment Sale	3,647,147	15,693,221
	<b>Gross Revenue</b>	<b>2,287,893,295</b>	<b>2,160,001,737</b>
	Less Excise Duty	255,752,172	238,368,853
	<b>Net Revenue from operation</b>	<b>2,032,141,123</b>	<b>1,921,632,884</b>

## Note : 21 Other Income

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Interest Income		
	On Income Tax Refund	1,427,332	1,258,905
	Others	2,023,381	885,304
2	Profit on sale of Investment	6,144,075	-
3	Income on Commodities and Currency	43,580,036	54,894,032
	<b>Total</b>	<b>53,174,824</b>	<b>57,038,241</b>

## Note : 22 Cost of Material Consumed

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	<b>Opening Stock</b>		
	Raw Material-M.S Scrap and Sponge	28,322,277	37,569,216
	Raw Material-M.S Ingots	178,686,915	93,590,092
2	<b>Add: -PURCHASES</b>		
	Raw Material-M.S Scrap and Sponge	349,200,223	369,711,300
	Raw Material-M.S Ingots	1,192,807,164	1,269,045,130
3	<b>Less:- Closing Stock</b>		
	Raw Material-M.S Scrap and Sponge	32,676,224	28,322,277
	Raw Material- M.S Ingots	157,750,432	178,686,915
	<b>Raw Material consumed</b>	<b>1,558,589,923</b>	<b>1,562,906,546</b>



# ASHIANA ISPAT LIMITED

## **Note : 23 Change in Inventories**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Opening Stock of Finished Goods and Stock in Trade	34,396,363	24,329,892
	Opening Stock of Runner Riser and W & S, Scrapped rolls	3,677,593	1,128,746
	Opening Stock of Stock in Process	1,614,383	1,926,060
	<b>Total</b>	<b>39,688,339</b>	<b>27,384,698</b>
2	Closing Stock of Finished Goods and Stock in Trade	24,743,131	34,396,363
	Closing Stock of Runner Riser and W & S, scrapped rolls	966,163	3,677,593
	Closing Stock of Stock in Process	1,698,480	1,614,383
	<b>Total</b>	<b>27,407,774</b>	<b>39,688,339</b>
	<b>Total</b>	<b>12,280,565</b>	<b>(12,303,641)</b>

## **Note : 24 Employee Benefit Expenses**

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Salaries and Wages	7,828,770	7,046,931
2	House Rent Allowance	3,086,600	2,311,215
3	Labour Charges Contractor	4,191,424	3,794,171
4	Conveyance Allowance	545,117	528,500
5	Contribution to PF & EDLI Charges	705,480	642,131
6	Contribution to ESI	302,922	264,571
7	Directors Remuneration	4,730,000	5,570,000
8	Gratuity	191,058	144,358
9	Bonus and Ex-Gratia	595,184	549,493
	<b>Total</b>	<b>22,176,555</b>	<b>20,851,370</b>

### **Defined Contribution Plan**

As per Accounting Standard 15 "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:-

Contribution to Defined Contribution Plans, recognised as expenses for the year is as under:

	2016-17	2015-16
Employers Contribution to Provident fund	632,382	575,404
Employers Contribution to ESI	302,922	264,571
	<b>Amount in Rs</b>	<b>Amount in Rs</b>

### **Defined Benefit Plan**

**The Present Value of obligation of Gratuity is determined based on actuarial valuation.**

### **Reconciliation of opening and closing balances of Defined Benefit obligation**

	Gratuity	
	2016-17	2015-16
<b>Defined Benefit obligation at the beginning of the year</b>	<b>1,536,417</b>	<b>1,392,059</b>
Interest cost	115,231	111,365
Current Service Cost	284,999	243,488
Benefits Paid	-	-
Actuarial Gain/loss	(209,172)	(210,495)
<b>Defined Benefit obligation at the end of the year</b>	<b>1,727,475</b>	<b>1,536,417</b>
<b>Funded Status</b>		
Present Value of the obligation at the end of the year	1,727,475	1,536,417
Fair Value of plan assets at end of the year	-	-
Net Liability (asset) recognised in Balance Sheet and related analysis	1,727,475	1,536,417
<b>Funded Status</b>	<b>(1727475)</b>	<b>(1536417)</b>



# ASHIANA ISPAT LIMITED

<b>Expenses Recognised during the year</b>	<b>2016-17</b>	<b>2015-16</b>
Interest cost	115,231	111,365
Current Service Cost	284,999	243,488
Expended Return on plan assets	-	-
Actuarial Gain/loss	(209172)	(210495)
<b>Expenses recognised in the profit and loss account</b>	<b>191,058</b>	<b>144,358</b>

### Actuarial Assumptions

	<b>2016-17</b>	<b>2015-16</b>
Discount Rate (in %)	7.50	8.00
Salary Growth rate (in %)	5.00	5.00
Mortality LIC	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
withdrawal rate (in %) per annum	2% p.a	2% p.a

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The above information is certified by the actuary.

### Note :25 Finance Cost

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Interest Expenses	35,439,347	47,243,013
2	Other Borrowing Costs	1438863	1493102
3	Bank & other Financial Charges	223,545	154,792
	<b>Total</b>	<b>37,101,755</b>	<b>48,890,907</b>

Amount in Rs

Amount in Rs

### Note : 26 Other Expenses

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	<b>Manufacturing Expenses:</b>		
	Consumption of Stores and spares	45,705,061	38,488,570
	Power and Fuel	291,561,662	242,657,928
	Factory Expenses	4,878,348	4,481,975
	Insurance Plant and Machinery	526665	524497
	Repair to Plant and Machinery	1,892,867	752,992
	Increase/Decrease in Provision of Excise Duty on Closing Stock of finished goods	(477160)	1,405,516
2	<b>Other Administrative Expenses:</b>		
	<b>Auditors Remuneration:</b>		
	Statutory Audit Fee	110,000	110,000
	Tax Audit	40,000	40,000
	Insurance Others	1,026,107	1,427,253
	Repair others	208,455	213,190
	Rent	2,501,667	2,270,000
	Miscellaneous Expenses	1,163,845	1,187,740
	Donation	317,100	70,000
	Vehicle Running Expenses	397,754	422,587
	Loss on Sale of Vehicle	177,293	-
	Legal & Professional Charges	832,706	455,072
	Director Sitting Fee	97,500	100,000
	Printing and Stationery Expenses	328,326	318,087
	Telephone Expenses	760,354	724,396
	Rates, Fee & Taxes	1,199,172	499,112



# ASHIANA ISPAT LIMITED

### 3 Selling and Distribution Expenses:

Sales Incentives	3,657,699	1,978,207
Freight outward and loading unloading charges	32,971,547	30,143,375
Business Promotion Expenses	4,507,567	5,448,408
Advertisement expenses	470,470	1,252,230
Consignment Expenses	115,743	-
Rebate and Discounts	30,792	152,895
Packing Material	508,000	594,610
<b>Total</b>	<b>395,509,539</b>	<b>335,718,640</b>

### Note 27 Earning per shares (EPS)

	2016-17	2015-16
Net Profit after tax as per P & L statement	31014952	6475974
Weighted average number of equity shares used as denominator for calculating EPS	4464800	4334130
EPS (Rs.) -Basic and Diluted	6.95	1.49
Face Value per equity share in Rs.	10	10

### Note 28 Related Party disclosures as per Accounting Standard - 18 are as Follow :

#### (a) Related Parties and their relationships

##### (i) Related Companies and Other Juristic Entities

M/s Kamdhenu Steels & Alloys Ltd.  
M/s Ashiana Manufacturing India Ltd Up to date 06.05.2016  
M/s I Dreams Impex Pvt. Ltd. Up to date 06.05.2016  
M/s Ashiana Fincap Pvt Ltd

##### (ii) Key Managerial Personnel

Naresh Chand (Chairman)  
Neeraj Kumar Jain (Whole Time Director) Up to date 06.05.2016  
Sanjay Kumar Jain (Whole Time Director) Up to date 06.05.2016  
Puneet Jain (Managing Director)

##### (iii) Relatives of Key Managerial Personnel

Naman Jain up to date 06.05.2016  
Renu Jain up to date 06.05.2016  
Uma Jain  
Swati Jain

**Note : Related party relationship is as identified by the Company and relied upon the Auditors.**

#### (b) Transactions with related parties

Nature of Transactions	Amount in Rs	
	2016-17	2015-16
Interest given on Unsecured Loans	11229032.00	14778279.00
Unsecured loans taken	849830000.00	234232492.00
Purchase made	0.00	47554506.00
Remunerations Paid to Directors	4730000.00	5570000.00
Repayment of Unsecured loans	888027869.00	369154155.00
Sale made	0.00	22861074.00
Commission Received	1063626.00	15693221.00
Rent Paid	1300000.00	1020000.00

#### Note : Details of remuneration to key managerial personnel are give below :

Name of Person	2016-17	2015-16
Naresh Chand	0.00	1250000.00
Neeraj Kumar Jain	120000.00	1440000.00
Sanjay Kumar Jain	120000.00	1440000.00
Puneet Jain	4490000.00	1440000.00



# ASHIANA ISPAT LIMITED

## Note 29 Segment Reporting

The Company is manufacturing TMT Bars and Ingots, but M.S. Ingots is used as raw material of TMT Bars i.e. captively consumed, as both the product are inter related cover in single segment of Iron & Steel. Hence, Accounting Standard -17 "Segment Reporting" specified under Section 133 of Companies Act 2013 is not applicable on the Company.

## Note 30 Provisions for Deferred Tax

Deferred Tax Assets & Liabilities in accordance with the AS-22 "Accounting for Taxes on Income" specified under section 133 of the companies Act 2013. The major component of deferred tax assets and deferred tax liabilities as at 31st March 2017 subject to the consideration of prudence of timing differences are shown in note no 4.

**Note 31** The Company has not received information from vendors regarding their status under the micro, small and medium enterprises development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act, have not been given.

## Note 32 Contingent Liabilities : Claims against the company / disputed demands not acknowledged as debts.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes as given below:-

Particulars	2016-17	2015-16
Sales Tax	0.00	0.00
Income Tax	3559130.00	226220.00
Excise Duty	0.00	102000.00
Service Tax	0.00	3855348.00

## Note 33 Value of imported and indigenous Raw materials, Spares and components consumed and the percentage of each the total consumption :

Particulars	2016-17		2015-16	
	Amount in Rs	Percentage	Amount in Rs	Percentage
Raw Material - Imported	0.00	0.00%	0.00	0.00%
Raw Material - Indigenous	1558589923	100.00%	1562906546	100.00%
Spares & Consumables - Imported	0.00	0.00%	0.00	0.00%
Spares & Consumables- Indigenous	45705061	100.00%	38488570	100.00%
	<b>2016-17</b>	<b>2015-16</b>		
Note 34 CIF Value of Import are as under :-	NIL	NIL		
	<b>2016-17</b>	<b>2015-16</b>		
Note 35 Expenditure incurred in Foreign Currency	NIL	NIL		

## Note 36 Financial figures are rounded off to nearest rupees and figures have been regrouped/rearranged/reclassified wherever necessary.

As per Our Report of even date

FOR S. SINGHAL & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 001526C

(R.K. GUPTA)  
Partner  
Membership No. : 073846

(Naresh Chand)  
Chairman  
DIN 00004500

(Puneet Jain)  
Managing Director  
DIN 00814312

(Harun Rashid Ansari)  
Company Secretary  
ACS 11147

Place:- Bhiwadi  
Date:- 30.05.2017





# ASHIANA ISPAT LIMITED

## ATTENDANCE SLIP

Please fill this Attendance Slip and hand it over at the entrance of the Meeting Hall

DP ID ..... Folio No. ....  
Client ID ..... No. of Shares .....

Name and Address of the Shareholder .....

I hereby record my presence at the 25th Annual General Meeting of the Company held on Thursday, the 31st August, 2017 at 09.30 A.M. at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan - 301019

**Signature of Shareholder / Proxy present**

**\*Applicable for investors holding shares in electronic form.**

1. Please handover the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting
3. As per Section 118(10) of the Companies Act, 2013 read with Secretarial Standards for General Meeting issued by The Institute of Company Secretaries of India "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting"

# ASHIANA ISPAT LIMITED

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

**Form No. MGT-11  
Proxy form**

CIN: L27107RJ1992PLC006611

Name of the company: ASHIANA ISPAT LIMITED

Registered office: A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist.- Alwar (Rajasthan)

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) holding..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on Thursday, the 31st August, 2017 at 09.30 A.M. at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Alwar- Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Items
<b>Ordinary Business:</b>	
1.	Adoption of Financial Statements as at 31st March, 2017.
2.	Appointment of Director retiring by rotation.
3.	Appointment of Statutory Auditors.
<b>Special Business:</b>	
4.	To issue equity shares on preferential basis to promoter and public
5.	Revision in the remuneration of the Mr. Puneet Jain (DIN: 00814312) Managing Director of the Company.
6.	To re-classify the status of certain persons/entities of Promoter and Promoter Group.
7.	To enhance the borrowing power over and above the paid-up capital and free reserves.
8.	Remuneration of M/s R.S. Roy & Associates, Cost Auditors of the Company.

Signed this..... day of..... 2017

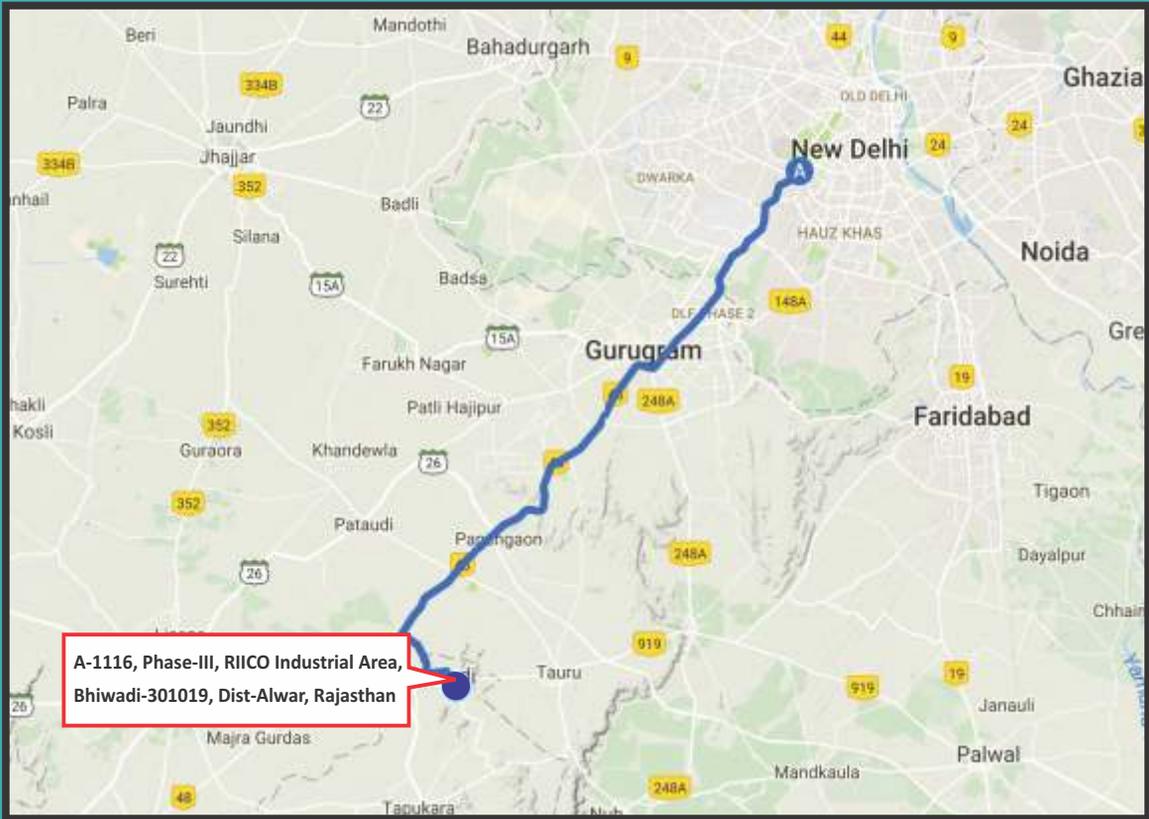
Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

.....  
Affix a  
Re.1/-  
Revenue  
Stamp  
.....

**Note: This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## LOCATION TO THE ANNUAL GENERAL MEETING



[www.ashianaispat.in](http://www.ashianaispat.in)

### **Regd. Office & Works:**

A-RIICO Industrial Area, Phase-III  
Bhiwadi-301019 Distt. Alwar (Rajasthan)  
Phone : 01493-520100 EAPBX  
Fax: 01493-520126

### **Corporate Office:**

908-910, Pearl Best Height-II,  
Netaji Subhash Place,  
Pitampura, New Delhi-110034  
Phone : 011-49032928