

(AN ISO 9001-2013 COMPANY)

24<sup>th</sup> ANNUAL REPORT

2015-2016

## **BOARD OF DIRECTORS**

1. Shri Naresh Chand Chairman

2. Shri Neeraj Kumar Jain Whole Time Director 3. Shri Sanjay Kumar Jain Whole Time Director 4. Shri Puneet Jain Whole Time Director

5. Shri Naman Jain Director

6. Shri Ram Kumar Garq Independent Director 7. Shri T. C. Kansal Independent Director 8. Shri Raiesh Kumar Pal Independent Director 9. Shri Rajinder Parshad Bansal Independent Director 10. Smt. Shruti Jain Independent Director

## **COMPANY SECRETARY**

Harun Rashid Ansari

## **REGISTERED OFFICE & WORK:**

A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301 019, Distt. Alwar (Rajasthan)

E-mail: ail@ashianaispat.in

## **CORPORATE OFFICE:**

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

## **AUDITORS:**

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

## SECRETARIAL AUDITORS:

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

## SHARE TRANSFER AGENT:

Link Intime India Private Ltd.

44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028 Ph-011-41410592-94

## **BANKERS:**

State Bank of Bikaner & Jaipur MID Corporate Branch, Pusa Road, New Delhi-110005

CONTENT	PAGE NO.
CHAIRMAN'S SPEECH	1-2
MANAGING DIRECTORS' SPEECH	3-4
NOTICE	5-11
DIRECTORS' REPORT	12-14
ANNEXURE TO DIRECTORS' REPOR	RT 15-27
CORPORATE GOVERNANCE	28-36
MANAGEMENT DISCUSSION	37-38
& ANALYSIS	
INDEPENDENT AUDITORS' REPORT	39-44
BALANCE SHEET	45
STATEMENT OF PROFIT & LOSS	46
CASH FLOW STATEMENT	47
SIGNIFICANT ACCOUNTING POLICI	ES 48-49
NOTES ON FINANCIAL STATEMENT	S 50-58



#### **CHAIRMAN'S SPEECH**



### Dear Shareholders,

## WELCOME TO THE 24th ANNUAL GENERAL MEETING OF ASHIANA ISPAT LIMITED

It gives me immense pleasure to once again highlight on the performance of Ashiana Ispat Limited. The year 2015-16 was a year of cautious optimism for Ashiana as the external environment was volatile and unpredictable.

Global economic conditions were sluggish and showed modest signs of recovery. However, Indian economy grew by considerate levels and Government took various measures to spearhead infrastructure development for furthering the economic development.

When we look at Ashiana today, it can be seen that it has been a year of great transition for the Company.

During 2015-16, your company witnessed many challenges, but we faced those challenges with optimism and resilence.

#### **Review of Performance**

I am pleased to inform that Ashiana has recorded revenues of `21600.02 lacs. PBT showed a decline to `87.54 lacs from. The Company's performance during the year was average. The Company's profit margins showed a decline due to unabated import of steel from China and other countries, which affected the overall revenues also. But, despite the challenges- both internal and external, the overall financial stability of the Company remains, however, strong, Through the conscious efforts and other ongoing improvement measures, I hope to revive our earlier growth performance in the medium term. On the positive side, there is a significant recovery of steel prices on the domestic front, which is a positive indication.

At Ashiana, we follow the principles and ethics of Jainism while operating the business. Business ethics define code of conduct of human beings operating the business in an economy. The element of non-violence (Ahimsa) establishes Jainism as an environment friendly philosophy. As a responsible corporate citizen, Ashiana recognizes and fulfils its duty of integrating its business goals with the needs and aspirations of the society. Lord Mahavira's emphasis on distribution of excess resources to weaker sections of the economy has relevance in modern economic theories also.

The ethical principles of Jainism prescribe a code of conduct, which requires an individual to be an ideal person with nonviolence as the foundation of his life not only from the Indian context but also universally in this 21st century.

## Opportunity

Steel sector is the backbone of the Indian economy. Government is also providing certain measures to provide thrust to Indian Steel sector. The criteria of Minimum Import price as introduced by the Government is a positive initiative to protect the domestic steel manufacturers from the clutches of import of steel from China and other countries. 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.

Ashiana always put emphasis on becoming a customer centric delivery-focus organization. It consistently put focus on innovative techniques and implementing best industry practices. During the year under review, Competition, both at local and international levels continued to be aggressive, but your Company is committed to tread on volume-led path.





## **Our People**

Our employees are the mainstay of the organization. We at Ashiana always put focus on enhancing the skiils, 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 employees 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 24th Annual General Meeting of the Company.

The year 2015-16 was a bit challenging year for your Company and your Company performed an average business during the year. This is because the economy was showing signs of recovery, but at slower pace.

The Board has entrusted me with the role of Managing Director with effect from June, 2016. I have accepted this challenge enthusiastically and I am committed to provide stable and well-directed leadership to the Company. My primary aim would be to reignite the growth engine and to rebuild the high-performance culture of the Company, as well as value system for all stakeholders.

As the new Managing Director, I am looking forward to some interaction with all constituent of Company, encouraging them to share their views and suggestions for the overall betterment of the Company. And today, I am getting an opportunity to directly interact with the shareholders of the Company, which will further help me to know their insight about the Company and its operations.

In the meantime, we have taken some immediate steps to augment the overall performance of the Company.

We are looking forward for opportunities by expanding our sales and restructuring the marketing strategy and becoming more focused with respect to improve the quality of our products and thus improve the overall growth and prosperity of the Company. Secondly, we are planning by providing an improved and more efficient work culture, whereby we can channelize our efforts in an improved and collective fashion.

While we are focusing on re-building ourselves, our vision to satisfy the needs and aspirations of shareholders, employees and customers will remain unchanged. As we regain momentum, we will continue to deliver value-based services to our customers, Builders, Institutions.

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 by the most notable business leader of his time, Mr. Dhirubhai Ambani:

"If You Work With Determination And With Perfection, Success Will Follow." ~ Dhirubhai Ambani





The legacy of moral values, ethical conduct in business and self-discipline which I have learned from my great grandparents-Late Sh. Peyarelal Ji and Late Smt. Champa Devi, who are, and, will always remain the pillars of strength, inspiration and motivation for me in every sphere of life-be it professionally or personally. It is their teachings that have guided me to steer my way forward.

The threads of learning have been further strengthened by my Grandfather Late Sh. Deep Chand Jain, who was also a great personality, who always lived his life with the approach- "Simple living, high thinking" and had taught me so many things which have helped me to lead my life in a better way. He had been Chairman in Digambar Jain College, Braut, Distt. Baghpat, U.P. He also served as Chairman of Baraut Municipal Corporation. He always put emphasis on inculcating the principles of self-discipline and ethical conduct in our family.

This legacy was continued in the form of Late Sh. Sukhbir Singh Jain, who laid the foundation stone of establishing Steel Industry with his sheer dedication, commitment and farsightedness. He was my "Nana Jee" but not only mine, all staff members by love and affection called him Babu Jee. He was an inspirational and motivational figure in his own self. I feel myself so privileged that I got an opportunity to work under his wings and learnt so much from him. He had such a magnetic aura around him to attract entrepreneurs and other business associates towards his personality which helped in accomplishing our business goals.

Last but not the least, It would not be out of place to mention the contributions of Sh. Satish Aggarwal, CMD of Kamdhenu Ispat Ltd., who is a living legend in business, with whom I got an opportunity to work while I was a Director in M/s Kamdhenu Ispat Ltd. In his association, I got to learn so many things in business principles, code of conduct and ethics. Whatever I am today, it is because of the teachings and pious guidance of Sh. Satish Aggarwal Jee with whom I got an opportunity to be associated with.

Also, I would like to extend my heartfelt appreciation to Sh. Krishan Sharma and all staff members of Ashiana family. Under the dynamic guidance of Sh. Krishan Sharma, Ashiana has tread new paths of success by managing its production capacities and levels with the expertise and knowledge of Sharma Jee. He has an attractive personality that one gets to learn so many things from him like ethical work practices, self-discipline and punctuality.

I consider myself a very fortunate person that I have seen, lived and worked with such a great personalities, who were inspiring in their own sense. Whatever I have learnt from them, I will try to incorporate those values and principles in conducting our business and thus help grow Ashiana into a bigger organization.

At the end, I would like to say that during this journey of building a robust foundation with a string foothold, I look forward to the continuing support and encouragement of our employees, stakeholders and customers and our Bankers, State Bank of Bikaner and Jaipur, because they are the source of strength for the organization to steer forward and to thrive itself in challenging business environment.

Praying for your prosperity with sound health.

Puneet Jain Managing Director DIN: 00814312 Ashiana Ispat Limited



# POLITICO OF OTHER

## ASHIANA ISPAT LIMITED

#### **NOTICE TO MEMBERS**

NOTICE is hereby given that the 24<sup>TH</sup> Annual General Meeting of the members of M/s. ASHIANA ISPAT LIMITED will be held on Wednesday, 28th September, 2016 at 11.30 A.M. at the registered office of the Company at A-1116, Phase-III, RIICO Industrial Area, Phase-III, Bhiwadi-301019, District-Alwar, Rajasthan to transact the following business:

#### **ORDINARY BUSINESS:-**

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2. To appoint a Director in place of Naresh Chand (holding DIN-00004500), who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s S. Singhal & Company, Chartered Accountants (ICAI Reg. No. 001526C), E-127, Industrial Area, Bhiwadi-301019, Distt. Alwar (Rajasthan) be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, at such remuneration as may be fixed by the Board of Directors and the Audit Committee, apart from reimbursement of out of pocket expenses and taxes as applicable."

### **SPECIAL BUSINESS**

Item No. 4. Appointment of Mr. Puneet Jain as Managing Director

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Part II of Section II of Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. Puneet Jain (DIN: 00814312), as Managing Director of the Company for a period of five years commencing from 1<sup>ST</sup> day of June 2016 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Puneet Jain, Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

**RESOLVED FURTHER that** Mr. Naresh Chand, Director of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

## Item No. 5: Appointment of Mr. Suresh Chand (DIN: 01423761) as Whole Time Director

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 Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force), subject to approval of the members in the General Meeting and subject to approval of the Central Government, if any, and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the Company be and is hereby accorded for the appointment of MR. Suresh Chand as Whole Time Director of the Company for a period of three years and payment of monthly remuneration of 30,000/- as recommended by the Remuneration Committee in its meeting."

**RESOLVED FURTHER that** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Suresh Chand, Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

"RESOLVED FURTHER THAT Mr. Naresh Chand, Director of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.

## Item No. 6 Increase in Authorized Share Capital

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, and subject to the approval of shareholders in the ensuing Annual General Meeting (AGM), the authorized share capital of the Company be and is hereby increased from 5.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lacs) Equity Shares of 1.0/- (Rupees Ten only) to 15,00,00,000 (Rupees Fifteen Crores only) divided



# POLITICO OF OTHER

## ASHIANA ISPAT LIMITED

into 1,50,00,000 (One crore fifty lacs) Equity shares of ` 10/each by creating an additional 1,00,00,000 (One Crore) Equity Shares of ` .10/- (Rupees Ten only) each ranking pari passu in all respect with the existing Equity Shares of the Company).

"RESOLVED FURTHER THAT Mr. Naresh Chand, Director of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company."

## Item No. 7 ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the Board of Directors of the Company be and is hereby accorded, subject to the approvals of shareholders in the General meeting, for substituting Clause V of the Memorandum of Association of the Company with the following clause.

V. The Authorised Share Capital of the Company is `150,000,000/- (Rupees Fifteen Crore) divided into 15,000,000 (One Crore fifty lacs) Equity Shares of face value of `10/- (Rupees Ten) each..

"RESOLVED FURTHER THAT Mr. Naresh Chand, Director of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company."

# Item No. 8 ADOPTION OF NEW MEMORANDUM OF ASSOCIATION:

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

"RESOLVED THAT subject to the approval of the Registrar of Companies, NCT of Delhi and Haryana and subject to the approval of Shareholders in General Meeting, the new Memorandum of Association of the company as per requirements of the Companies Act, 2013 be and is hereby

adopted so that the clauses contained in MOA As "Other Objects" appearing in the object clause be regrouped with incidental and other activities by adopting the entirely new format and other contents of Memorandum of Association be remain the same and the contents of the entire Memorandum of Association be and is hereby reorganized to be legible, a copy of new Memorandum of Association being enclosed with this resolution.

"RESOLVED FURTHER THAT Mr. Naresh Chand, Director of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.

## Item No. 9 ADOPTION OF NEW ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or reenactment thereof, for the time being in force), and the rules framed there under, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, NCT of Delhi & Haryana and subject to the approval of Shareholders in General Meeting, to adopt new set of Article of Association of Company

"RESOLVED FURTHER THAT Mr. Naresh Chand, Director of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company."

By Order of the Board of Directors for Ashiana Ispat Limited

Place: Bhiwadi Date: May 30, 2016

> Naresh Chand Chairman DIN-00004500



# PONTAGE OF OUR

## ASHIANA ISPAT LIMITED

#### Notes:

- 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.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 22nd September 2016 to Wednesday 28th September 2016 (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.
- 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. In accordance with the Articles of Association of the Company, all Directors (except Mr. Puneet Jain, who has been appointed as the Managing Director for a term of 5 years effective 1st June, 2016, retire every year and, if eligible, offer themselves for reappointment at the Annual General Meeting. As per the provisions of the Companies Act, 2013, Independent Directors are appointed for a term up to five consecutive years and are not liable to retire by rotation. Additional Information for directors seeking appointment/re-appointment at AGM, pursuant to Regulation 36 of SEBI (Listing Obligations and

- Disclosure Requirements) Regulations, 2015, has been provided in this Report.
- 7. 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 'Ecommunication Registration Form' available on the website of the Company www.ashianaispat.co.in to M/s. Link Intime India Private Limited or Investor 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.
- 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 electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
- 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 21.09.2016, i.e. the date prior to the commencement of book closure, 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 Sunday, 25th September, 2016 and will end at 5.00 p.m. on Tuesday, 27<sup>th</sup> September, 2016. 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 Mr. 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:

- The voting period begins on 25th September, 2016 at 9.00 A.M. and ends on 27th September, 2016 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 21st September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 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.
- Click on Shareholders. (iv)
- (v) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and (vi) Click on Login.
- If you are holding shares in demat form and had logged on to 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				
	indicated in the PAN field.				
Dividend Bank Details OR	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.				
Date of Birth (DOB)	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).				

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then (x) 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 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.
- Click on the EVSN for the relevant < Company Name> on which you choose to vote.
- On the voting page, you will see "RESOLUTION (xiii) 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.
- 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
- (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 and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should emailed helpdesk.evoting@cdslindia.com.
  - After receiving the login details a compliance



# STANA GROUP

## ASHIANA ISPAT LIMITED

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 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.
- (I) 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. may follow the same instructions as mentioned above for e-Voting.
- (ii) In case you have any queries or issues regarding evoting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Registered office: By Order of the Board

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

Naresh Chand
Place: Bhiwadi Chairman
Date: 30.05.2016 DIN-00004500

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

The Board of Directors have, subject to the approval of the shareholders, appointed Mr. Puneet Jain as Managing Director of the Company with effect from 1<sup>st</sup> day of June 2016 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While appointing Mr. Puneet Jain as Managing Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company during the tenure of his Whole-time Directorship. Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities in India to achieve still greater heights, by appointing him as Managing Director as mentioned in the resolution, subject to the approval of shareholders. Mr. Puneet Jain has been involved with iron and steel industry since the beginning of his career. For the past 24 years, he has been instrumental in the development and production of high quality steel, improvement in its properties. His enthusiastic manner and wide array of knowledge have won him respect and appreciation from his staff and colleagues.

Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 30.05.2016 approved the remuneration, terms and conditions of the approintment of Mr. Puneet jain, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- I. Salary: `3,50,000/- per month
- ii. Perquisites might be provided in addition to salary. Perquisites so paid shall be valued in terms of actual expenditure incurred by the Company. However, in cases where the actual amount cannot be ascertained with reasonable accuracy, the perquisites shall be valued as per Income Tax Rules:
  - a) Medical Reimbursement
    - Reimbursement of medical expenses actually incurred for self and family as per the rules of the Company.
  - b) Leave Travel Concession/Allowance
    - For self and family, once in a year in accordance with rules of the Company.
  - Club Fees payable as per the rules of the Company
  - d) Provident Fund, Pension Fund and Superannuation Fund
    - Company's Contribution to these funds is as per the rules of the Company
  - e) Gratuity is payable as per the rules of the Company



# PARTIE OF OUR

## ASHIANA ISPAT LIMITED

f) Car

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

g) Telephone

Free Telephone/ Communication facilities at residence for business purposes.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Taking into account trend in the industry, his qualifications and experience, remuneration is considered to be just, fair and reasonable.

Mr. Puneet Jain and his relatives (including Mr. Naresh Chand, Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution. This explanatory Statement may also be regarded as a disclosure under Regulations 36 of SEBI (Listings obligations and Disclosure requirements), Regulations, 2015.

#### Item No. 5

Mr. Suresh Chand was appointed as an Additional Director on the Board w.e.f May 6, 2016 by the Board of Directors. In terms of provisions of Section 161(1) of the Companies Act, 2013, Mr. Suresh Chand will hold office upto the date of this Annual General Meeting (AGM), but is eligible for being appointed as Director liable to retire by rotation.

The Company has received notice in writing from him alongwith requisite deposit in terms of Section 160 of the Act, proposing his candidature for appointment as Director.

Mr. Suresh Chand is having an expertise in logistics, and therefore, his knowledge and expertise would be of immense benefit to the Company and will help in providing necessary thrift to the business operations of the Company.

Listed Companies (other than Ashiana) in which Mr. Suresh Chand holds directorship and committee memberships:

## Directorship

Nil

## **Chairperson of Board Committees**

Nil

## **Member of Board Committees**

Nil

Therefore, the Board recommends the above Resolution to be passed as an Ordinary Resolution.

None of the Directors and key managerial personnel and their relatives are interested in the resolution. This explanatory Statement may also be regarded as a disclosure under Regulations 36 of SEBI (Listings obligations and Disclosure requirements), Regulations,

2015.

### Item No. 6. INCREASE IN AUTHORIZED CAPITAL:

To meet the business requirements for the expansion plans and to enable the Board of Directors to have the flexibility of using funds; the Company is in need of equity infusion, and is therefore proposing to raise further capital. However, since the paid-up capital of the Company has already reached at par with the Authorized Share Capital of the Company; in order to issue further shares to the Shareholders, the Company must first increase its authorized share capital. Hence the board of directors of the Company (Board), vide its resolution dated 30.05.2016 has proposed to increase the authorised share capital of the Company. The Company therefore proposes to increase its authorised share capital. As per section 61(1) and other applicable provisions of the Companies Act, 2013, the consent of shareholders is required for increasing the authorized share capital of the Company. Therefore, it is proposed to increase authorised share capital from ` 5 Crores to 15 Crores.

Consequent to increase in the authorised share capital, it is necessary to change the existing capital clause of the Memorandum of Association of the Company.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the directors or key managerial personnel and their relatives are in any way concerned or interested in the above referred resolution.

## Item No. 7. ALTERATION IN CAPITAL CLAUSE OF MEMORANDUM:

In order to reflect the increase authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company must be amended.

A draft of the amended Memorandum of Association with the following Clause V was tabled and initialled for discussion:

"... V The Authorised Share Capital of the Company is 150,000,000/- (Rupees Fifteen Crore) divided into 15,000,000 (One Crore fifty lacs) Equity Shares of face value of 10/- (Rupees Ten) each."

As Per section 13 of Companies Act, 2013, the alteration of the memorandum of association of the Company requires the approval of shareholders. The Board now seeks the approval of shareholders for the same.

None of the directors or key managerial personnel and their relatives are in any way concerned or interested in the above referred resolution.

# Item No. 8. ADOPTION OF NEW MEMORANDUM OF ASSOCIATION:

As per the provisions of section 4 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 the Memorandum of Association of the Company will be adopted by rearranging/merging the Clause C- Other Objects with the existing Clauses in order to bring it in conformity with the provisions of Companies Act, 2013.



# ASTANDOL OF OUT

## ASHIANA ISPAT LIMITED

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members during office hours at the Registered Office of the Company on any working day up to the date of the meeting

None of the directors and key managerial personnel and their relatives is in any way concerned or interested in the above referred resolution.

# Item No. 9. ADOPTION OF NEW ARTICLES OF ASSOCIATION:

The Articles of Association ("AoA") of the Company is presently in force since its incorporation of the Company. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies

Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013.

Hence the Board of Directors at its meeting held on 30.05.2016 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members during office hours at the Registered Office of the Company on any working day up to the date of the meeting.

None of the Directors or key managerial personnel and their relatives are concerned or interested in the said resolution.

Registered office: By Order of the Board

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

Place: Bhiwadi Chairman
Date: 30.05.2016 DIN-00004500

## ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT PURSUNAT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Details of Director Seeking Re-appointment at the Annual General Meeting

Particulars	Mr. Naresh Chand Mr. Puneet Jain Mr. Suresh Chand				
Date of Birth	07/07/1944	24/08/1975	21/06/1969		
Date of Appointment	25/01/2016	01/06/2016	01/06/2016		
Qualification	M.Sc	Graduate	Higher Secondary		
Expertise in specific functional areas	Mr. Naresh Chand holds M.Sc degree from the University of Agra, Uttar Pradesh and possesses a wealth of knowledge and experience concerning steel industry. He looks after the management and administration of the Company.  There has been a tremendous growth in the overall operations of the	Mr. Puneet Jain is a highly accomplished and performance driven steel industry entrepreneur with more than two decades experience at Board level in various areas such as business strategy and planning, operations and maintenance management, project management, supply chain management, design and engineering and HR etc.	Mr. Suresh Chand has been proved Dynamic results oriented Transportation/ Logistics/ Operations Manager. He is a Seasoned professional in logistics and operational processes. He has track record of helping to deliver construction material to the project site ahead of time & under budget.		
	Company under his supervision, control and guidance due to his competence and experience.	He has a strong flair for innovations and low cost reliability solutions. Before moving into the position of Managing			
Directorabine held in	His presence on the Board is the matter of great importance for the overall development and prosperity of the Company.	Director roles he has had a long experience in TMT Bar manufacturing; Bulk material handling & processing and Maintenance management.			
Directorships held in other companies	He is on the Board of:	He is on the Board of:	He is on the Board of Mag. T Exim Limited		
	Kamdhenu Steels & alloys Limited	Kamdhenu Steels & alloys Limited     Ashiana Fincap Pvt. Ltd.			
	<ol><li>Ashiana Fincap Pvt. Ltd.</li></ol>	Lohman Manufacturing Pvt. Ltd.			
	Lohman Manufacturing Pvt.     Ltd.	Ashiana Commodities & Derivatives     Pvt. Ltd.			
	Ashiana Commodities &     Derivatives Pvt. Ltd.				
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	He is the Chairman of Stakeholders Relationship Committee	NIL	Nil		
Number of shares held in the Company	482500	445900	130		



# POLITICO OF OTHER

## ASHIANA ISPAT LIMITED

#### **DIRECTOR'S REPORT**

#### Dear Shareholders.

Your Directors are pleased to present the Twenty Fourth Annual Report of your Company along with the Audited financial statements for the financial year-ended 31<sup>st</sup>March, 2016.

Financial	Financial results: In lacs					
SI. No.	Particulars	2015-2016	2014-2015			
1	Gross Sale	21600.02	29909.97			
2	Profit before Depreciation interest and Tax	698.50	1046.11			
3	Interest	472.43	600.76			
4	Depreciation	138.53	152.55			
5	Profit/ (Loss) for the year before tax	87.54	292.80			
6	Balance (Cr.) brought forward from the previous year	1831.48	1641.16			
7	Balance (Cr.) carried forward to the Balance Sheet	1865.92	1831.48			

#### **OPERATIONS**

During the year under review, your Company has recorded revenue of `21600.02 Lacs thereby showing a decrease by 27.78%.

Consequently profit before tax and net profit reduced by 70.10% and 67.46% respectively.

Steel market (TMT Bar manufacturing sector) specially secondary producer has been among the sectors worst hit by the economic downturn which coupled with high interest rates in the face of persistent inflation and also due to slowdown of the real estate market that remains in the grip of a two year old downturn as potential customers shun purchases, leaving developers struggling with unsold inventory and stalled projects.

Meanwhile Chinese steel appetite started reducing but the production levels had already gone quite high. They had option either to close down or to export. They obviously chose the second option. This was enough to tilt the global demand supply balance which was already delicately poised. This started affecting the prices and took out the viability from the entire process chain. Thus we can see that though the raw material prices are quite soft, there is hardly any profitability at any stage of steelmaking. As such, the global steel industry is shrinking and one needs to stick to his core activity.

Indian markets may be stagnated at this stage but it is understood that many mega projects like 100 smart cities are about to kick off and this is sure to give a big boost to steel demand in the country. 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.

 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:

The Directors confirm that:

- ? In the preparation of the annual accounts for the year ended March 31, 2016, 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, 2016 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. Naresh Chand (DIN: 00004500), Director of the Company retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself fir reappointment.

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 Managing Director, will retire at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. We also confirm that remuneration paid to all directors is as prescribed by the Nomination and



# POLITICO OF OTHER

## ASHIANA ISPAT LIMITED

Remuneration Committee.

#### Inductions

Mr. Suresh Chand was being appointed as an Additional Director on the Board w.e.f 06.05.2016. Shareholders proposed their name to be appointed as Director liable to retire by rotation.

Board of Directors proposed his name for the office of Whole time Director

Mr. Puneet Jain, subject to approval of Shareholders and other authority if any required, was elevated to occupy the chair of Managing Director by the Board of Directors in their meeting held on 30/05/2016.

Mr. Naresh Chand stepped down as Managing Director of the Company w.e.f 25.01.2016 consequent to his expiry of term as Managing Director. But, he will be continued as Director and Chairman of the Company.

### Resignations

Mr. Neeraj Kumar Jain, Mr. Sanjay Kumar Jain, Mr. Naman Jain, Directors of the Company have resigned from the directorships w.e.f 06/05/2016. The Board places on record its deep appreciation for the services rendered by them during their tenure.

Mr. Rajinder Parshad Bansal resigned as Independent Director w.e.f 06/05/2016 due to personal reasons. The Board places on record its deep appreciation for the services rendered by him during his tenure.

## Inter se Transfer of Shares:

There were two group of Promoters one group lead by Mr. Neeraj Kumar Jain, Brother-in-Law of other Group lead by Mr. Naresh Chand since June 1996.

Both group carried business amicably for more than two decades and when next generation is ready to replace the former they decided to do a family partition of business by quitting the company and therefore they adopted "Interse transfer of shares" mode. Mr. Neeraj Kumar Jain and his family and associates decided to transfer all their holding in favour of his brother in law Mr. Naresh Chand and his family members. All the proceeding as required under Regulation 10(5), 10(6) and 10(7) and other regulation of the SEBI Takeover Regulation 2011 has been complied with and also necessary forms as prescribed under Companies Act 2013 and Rules made there under have been filed with Registrar of Companies, Rajasthan.

### **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.

## **AUDITORS**

### A. STATUTORY AUDITORS

M/s S. Singhal & Company, Chartered Accountants, bearing ICAI Registration No.001526C are proposed to be appointed as Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company held thereafter.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written Consent from M/s S. Singhal & Company, Chartered Accountants, 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. COSTAUDITOR

The Board has appointed M/s Sanjay Garg & Co., Cost Accountants as cost auditors of the Company for the financial year 2016-17.

#### C. SECRETARIAL AUDITOR

M/s Bir Shankar & Co., Practicing Company Secretary was appointed as the Secretarial Auditor of the Company for the year 2016-17. The Secretarial audit report for the period ended March 31, 2016 forms part of this report.

# CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your company is doing is 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 are given as an Annexure-A to this report.

#### PARTICULARS OF EMPLOYEES

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-B.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management discussion and Analysis Report is enclosed as a separate 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. 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.

The certificate from the Auditors confirming compliance with the provisions of Corporate Governance has been attached with the report on Corporate Governance as provided by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

# 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.

#### **MEETINGS OF THE BOARD**

The Board met six 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 did not exceed as prescribed 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. Independent Directors forms the major composition of these Committees, details of which are annexed to the Corporate Governance Report.

# PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS

Details of loans given, or investments made or guarantee given by the Company forms part of this Report in Annexure-C.

#### **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 order to protect the interest of the employees and executives in reporting their grievances in a protected manner. The policy on vigil mechanism may be accessed on the Company's website <a href="https://www.ashianaispat.in/corporategovernance/policies">www.ashianaispat.in/corporategovernance/policies</a>

#### **EXTRACT OF ANNUAL RETURN**

In accordance with 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-D.

## AUDITORS' REPORT- OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNT

The observations of the Auditors in the Auditors' report on the accounts of the Company together with the Notes to Accounts are self-explanatory and, therefore, do not call for any further explanation, in the opinion of Directors.

## 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-E.

### 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 Bikaner & Jaipur, investors, customers for their continued support during the year.

For and on behalf of the Board For Ashiana Ispat Limited

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

Place: Bhiwadi Date: 30.05.2016





## **ANNEXURE-A**

Information on Energy Conservation, technology absorption and foreign exchange earning	ngs and outflow
--	-----------------

	As at	As at
	31.03.16	31.03.15
POWER AND FUEL CONSUMPTION		
ELECTRICITY		
Purchase Unit (KWH)	30192769	30929961
CTD Section	11122198	12143230
Ingot Section	19070571	18786731
Total Amount	181009061	164331388
Consumption (Unit/MT)		
CTD Section	173	173
Ingot Section	844	840
Own Generation	NIL	NIL
Through Diesel Generation	NIL	NIL
Through Steam Turbine	NIL	NIL
Coal		
Purchased (Unit -MT)	7238.300	9123.87
Total Purchase Amt ( in `)	56,609,001	83402366
Consumption (Unit-MT)	7112.36	8949.955
Furnace		
Oil Purchased (Unit -KL)	399.545	0
Total Purchase Amt( in `)	5,675,567	0
Consumption (Unit-KL)	375.885	0
EXPENDITURE INCURRED ON RESEARC	H AND DEVELOPMENT	
		(`in Lacs)
Capital	25.38	NIL
Recurring	NIL	NIL
Total	25.38	NIL

## FOREIGN EXCHANGE EARNING AND OUTGO

NIL



# POTATE OLO OF CUITS

## ASHIANA ISPAT LIMITED

#### ANNEXURE-B

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 (`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. Naresh Chand Managing Director	12.50	No change	24.14	22.82	0.05
Sh. Neeraj Kumar Jain Whole-time Director	14.40	No change	27.81	26.29	0.07
Sh. Puneet Jain Whole-time Director	14.40	No change	27.81	26.29	0.07
Sh. Sanjay Kumar Jain Whole-time Director	14.40	No change	27.81	26.29	0.07
Sh. Harun Rashid Ansari Company Secretary	2.40	No change	4.63	4.38	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;
- (iv) There were 127 permanent employees on the rolls of the Company as on March 31, 2016;
- (v) 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.
- (vi) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company: For the financial year 2015-16 Key Managerial Personnel were paid 106.07 % and 0.27 % of the net profit and turnover respectively of the Company.
  - (c) 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.
- (ix) 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
- (x) 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
- (xi) 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.
- Employed throughout the year and were in receipt of remuneration at the rate of not less than `.60 lac per annum. Not Applicable
  - (ii) Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than `5 lac per month.. Nil





## **ANNEXURE-C**

Particulars of Loans, Guarantees or Investments

Amount outstanding as on March 31, 2016

Particulars	Amount in lacs
Loans given	0.00
Guarantee given	0.00
Investments made	87.77

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

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





#### ANNEXURE-D

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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	PUBLIC COMPANY/ LIMITED BY SHARES
	Company	
5.	Address of the Registered office	A-1116, RIICO INDUSTRIAL AREA, PHASE-III, BHIWADI-301019, DIST-
	& contact details	ALWAR (RAJASTHAN)
6.	Whether listed company	YES
7.	Name, Address & contact details	LINK INTIME INDIA PVT. LTD.
	of the Registrar & Transfer	44, Community Centre, Naraina Industrial Area, Phase-I, Near PVR Cinema, New
	Agent, if any.	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 /	NIC Code of the	% to total turnover of the company
	services	Product/service	
1	TMT BARS	27151	97.12%
2			
3			

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

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of	of Shares held at the beginning of the year[As on 31-March-2015]  No. of Shares held at the end of the year[As on 31-March-2016]  Physical Total % of Total Physical Total % of Total				% Change during the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	1402700	189800	15925 00	35.66	1402700	189800	15925 00	35.66	
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	40000	0	40000	0.90	
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
Total shareholding									
of Promoter (A)									
	1442700	189800	1632500	36.56	1442700	189800	1632500	36.56	
B. Public									
Shareholding									
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) FIIs	00	0	0	0	00	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	
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	
2. Non-Institutions									
a) Bodies Corp. i) Indian									
i) Indian	566241	59700	625941	14.02	623861	59700	683561	15.31	+1.29%
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
<ul><li>i) Individual shareholders holding</li></ul>									
nominal share capital									
upto ` 1 lakh (from the financial									
year 2015-16 upto `			4044000				0005404		
2,00,000) ii) Individual	678703	1263235	1941938	43.49	751629	1253835	2005464	44.92	+1.43%
shareholders holding									
nominal share capital in excess of ` 1 lakh									
(from the financial									
year 2015-16 upto 2,00,000)									
_,-,-,000/	224362	21000	245362	5.50	91552	21000	112552	2.52	-2.98%
						-			
c) Others (specify)									
Non Resident Indians	555	0	555	0.01	655	0	655	0.01	
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	
							_		





Foreign Nationals	0	0	0	0	0	0	0	0	
Clearing Members	200	0	200	0.00	11974	0	11974	0.27	+0.27%
Trusts/HUF	18304	0	18304	0.41	18094	0	18094	0.41	
Foreign Bodies - D R									
			20222		1497765	1334535	28323		
Sub-total (B)(2):-	1488365	1343935	28323 00	63.44			00	63.44	
Total Public					1497765	1334535			
Shareholding (B)=(B)(1)+ (B)(2)	1488365	1343935	28323 00	63.44			28323 00	63.44	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
G / 12 / 10		Ŭ			2940465	1524335	Ĭ		
0 17 (-1 (A - D - 0)	0004005	4500705	44648	400			44648	400	
Grand Total (A+B+C)	2931065	1533735	00	100			00	100	

## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholdin	g at the beginn	ing of the year	Share	eholding at the ending	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	224600	5.03	0.00	
2	UMA JAIN	94000	2.11	0.00	94000	2.11	0.00	
3	NARESH CHAND	220000	4.93	0.00	220000	4.93	0.00	
4	VANDANA JAIN	215690	4.83	0.00	215690	4.83	0.00	
5	NEERAJ KUMAR JAIN	221300	4.96	0.00	221300	4.96	0.00	
6	RENU JAIN	56000	1.25	0.00	56000	1.25	0.00	
7	SANJAY KUMAR JAIN	262500	5.88	0.00	262500	5.88	0.00	
8	NARESH CHAND (HUF)	97410	2.18	0.00	97`410	2.18	0.00	
9	NEERAJ KUMAR JAIN & SONS HUF	100000	2.24	0.00	100000	2.24	0.00	
10	SWATI JAIN	1000	0.02	0.00	1000	0.02	0.00	
11	NAMAN JAIN	100000	2.24	0	100000	2.24	0.00	

## 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					
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		N	IIL		
	At the end of the year					



# SHANA GROUD POLITION OF OUT

## 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 he	eld at the beginning of	No. of Shares he	ld at the end of	% change in shareholding
		the year		the year		during the year
		[As on 31-March	-2015]	[As on 31-March-	2016]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Satyam Comex Pvt. Ltd.	144879	3.24	147016	3.30	+0.06%
2	Hem Securities Limited	29922	0.67	22990	0.51	-0.16%
3	Kamdhenu Steels & Alloys Limited	330735	7.41	330735	7.41	-
4	Manju Singhal	21000	0.47	21000	0.47	-
5	Ragini Singhal	31317	0.70	31317	0.70	-
6	Rajesh Kumar Goyal	26160	0.59	26160	0.59	-
7	Ramakant & Co. Pvt. Ltd.	32275	0.72	33000	0.74	+0.02%
8	Shailendra Kumar Singhal	34075	0.76	34075	0.76	-
9	Shree Giriraj Securities Pvt. Ltd.	43195	0.97	117295	2.63	+1.66%
10	Mahendra Kumar	16201	0.36	16201	0.36	-

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

SN	Name			Increase / Decrease in Promoters Share holding	Reason	Cumulative Share Holding As on 31-03- 2016
		At the beginning of the year [01-04-2015]	% of total shares			
	Directors					
1.	Naresh Chand Chairman	220000	4.93	Nil movement		220000
2.	Neeraj Kumar Jain Executive Director	221300	4.96	Nil movement		221300
3.	Puneet Jain Executive Director	224600	5.03	Nil movement		224600





4.	Sanjay Kumar	262500	5.88	Nil movement	262500
	Jain				
	Executive				
	Director				
5.	Sh. Naman Jain	100000	2.24	Nil movement	100000
	Non-Executive				
	Director				
6.	Sh. Tarachand	0	0.00	Nil movement	0
	Kansal				
	Independent				
	Director				
7.	Sh. Rajesh	0	0.00	Nil movement	0
	Kumar Pal				
	Independent				
	Director				
8.	Sh. Rajinder	0	0.00	Nil movement	0
	Parshad Bansal				
	Independent				
	Director				
9.	Sh. Ram	0	0.00	Nil movement	0
	Kumar Garg				
	Independent				
40	Director	0	0.00	NPI management	0
10.	Smt. Shruti	0	0.00	Nil movement	0
	Jain				
	Independent Director				
	Key Managerial Personnel				
11	Sh. Harun	0	0.00	Nilmovement	0
11.		U	0.00	Nil movement	0
	Rashid Ansari				
	Company				
	Secretary				

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	221367994	400088078	-	621456072
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	221367994	400088078	-	621456072
Change in Indebtedness during the financial year				





		1		I
* Addition	54,706,541	-	-	-
* Reduction	-	121616712	-	66910171
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	276,074,535	278471366	-	554545901
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	276,074,535	278471366	-	554545901

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

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

SN.	Particulars of Remuneration	1	Name of MD/V	VTD/ Manage	er	Total Amount
		Naresh Chand	Neeraj Kumar Jain	Puneet Jain	Sanjay Kumar Jain	
1	Gross salary (` In lacs)	12.50	14.40	14.40	14.40	55.70
	(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)	12.50	14.40	14.40	14.40	55.70
	Ceiling as per the Act	` 168 lakhs	;	•	•	•





## B. Remuneration to other directors

SN.	Particulars of Remuneration		Na	me of Director	S		Total Amount
		Mr. T.C. KANSAL	Mr. Ram Kumar Garg	Mr. R.P. Bansal	Mr. Rajesh Kumar Pal	Mrs. Shruti Jain	
1	Independent Directors						
	Fee for attending board committee meetings (Amount in `)  Commission	20,000	20,000	12,500	20,000	15,000	87,500
	Others, please specify						
	Total (1)	20,000	20,000	12,500	20,000	15,000	87,500
2	Other Non-Executive Directors	Mr. Naman Jain					
	Fee for attending board committee meetings (Amount in `)	10,000					10,000
	Commission						
	Others, please specify						
	Total (2)	10,000					10,000
	Total (B)=(1+2)	30,000	20,000	12,500	20,000	15,000	97,500
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	-	-	-	-		-

## 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	-	25000	-	25000
	(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	-	25000	-	25000





VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NII		
Punishment			Mis		
Compounding					
C. OTHER OFFICER:	S IN DEFAULT				
Penalty					
Punishment					
Compounding /					





## ANNEXURE-E SECRETARIAL AUDIT REPORT

## For The Financial Year Ended 31st March, 2016

[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, 2016 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" March, 2016 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and



# PONTAGE OF OUR

## ASHIANA ISPAT LIMITED

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the (i) Secretarial Standards issued by the Institute of Company Secretaries of India, and (ii) clauses of Listing Agreement entered into by the Company with BSE till 30<sup>th</sup> November, 2015 and applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1<sup>st</sup> December, 2015 to March, 2016.

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:
  - The Air (Prevention and Control of Pollution) Act, 1981.
  - 2. The Environment (Protection) Act, 1986
  - 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
  - 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 tile 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 was 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 For Bir Shankar & Co.

Date: 30/05/2016 Bir Shankar

Proprietor
C.P. No. 7076



# AND OF OUR

## ASHIANA ISPAT LIMITED

#### **CORPORATE GOVERNANCE**

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

The company is committed to ensure highest standards of transparency and accountability in all its activities and maintain high level of disclosures at all levels. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders.

The Board of Ashiana is committed and responsible for implementing the best practices of Corporate Governance at all levels. We keep our governance practices under continuous review to keep in tune with the best practices.

At Ashiana, Corporate Governance principles are enshrined by way of promoting and maintaining highest standards of integrity, transparency and accountability.

SEBI has notified (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f Dec 1, 2015. Ashiana is committed to follow the principles enshrined in LODR not only in letter but in spirit to ensure that broad principles for periodic disclosures has been encapsulated in the organization's framework.

Our Corporate governance practices are illustrated as follows:

#### 2. BOARD OF DIRECTORS

### Composition of Board:

The Board consists of optimum combination of 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.

 The Company has a balance mix of Executive and Non- Executive Directors. Composition and Category of Directors as of March 31, 2016 is as follows:

## Size and category of Board of Directors

The Board of Directors consists of 10 Directors as on 31.03.2016

Composition and category of Director is as follows:

Executive Directors: Shri Naresh Chand

Shri Neeraj Kumar Jain (resigned w.e.f 06/05/2016)

Shri Puneet Jain

Shri Sanjay Kumar Jain (resigned w.e.f 06/05/2016)

Non-Executive Directors Shri Naman Jain (resigned w.e.f 06/05/2016)

Non-executive and Independent Directors Shri Ram Kumar Gard

Shri T.C. Kansal

Shri Rajinder Parshad Bansal (resigned w.e.f 06/05/2016)

Shri Rajesh Kumar Pal

Mrs. Shruti Jain

The Board in consultation with Nomination and Remuneration Committee selects new Directors including Independent Directors. The Committee after considering qualifications, positive attributes, number of directorships and memberships held in various committees make recommendations for the selection of Directors. 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).

#### Chairman of the Board

Mr. Naresh Chand who was Managing Director and Chairman of the Board had stepped down as Managing Director of the Company on expiry of his tenure w.e.f 25/01/2016. But, he will continue as Director and Chairman of the Board.



# POTATE OLO OF CUITS

## ASHIANA ISPAT LIMITED

# (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 (as specified in Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Director	No. of Board meetings attended during the year	Attendance at previous AGM on 28.09.2015	No. of other Director -ship(s) held	No. of membership /Chairmanship in Committees	Executive/Non-executive / Independent
1. Mr. Naresh Chand	6	Yes	4	1	Executive
2. Mr. Neeraj Kumar Jain*	6	Yes	8	0	Executive
3. Mr. Puneet Jain	6	Yes	4	0	Executive
4. Mr. Sanjay Kumar Jain*	6	Yes	3	0	Executive
5. Mr. Naman Jain*	4	Yes	5	0	Non-Executive Director
6. Mr. Ram Kumar Garg	4	No	0	0	Non-executive and independent
7. Mr. T. C. Kansal	5	Yes	1	3	Non-executive and independent
8. Mr. Rajinder Parshad Bansal*	6	Yes	1	3	Non-executive and independent
9. Mr. Rajesh Kumar Pal	6	Yes	0	2	Non-executive and independent
10. Mrs. Shruti Jain	5	No	1	0	Non-executive and independent

<sup>\*</sup> Resigned w.e.f. 06.05.2016

## Familiarization program for Directors

All new Non-Executive Independent Directors induced 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.

The familiarization program is designed to assist directors help in fully appreciating their roles and 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.

### **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 analyse the performance of 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 atleast 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.

Six Board meetings were held during the year ended March 31, 2016, which were held on as follows; May 30, 2015, August 14, 2015, September 22, 2015, November 14, 2015, January 27, 2016 and February 13, 2016. The maximum interval between the two meetings is as per the statutory limit prescribed.



# PONTAGE OF OUR

## ASHIANA ISPAT LIMITED

The Board has unrestricted access to the company related information and the items/ matters which are generally placed before the Board include:

- 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. 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. The meeting of Independent Directors took place on 25.01.2016 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 Board has established the following committees for their effective functioning:

## **Audit Committee:**

The Audit committee comprises of 3 independent Directors as on March 31, 2016:- Mr. T.C. Kansal, Mr. R.P. Bansal 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. Since Mr. R.P. Bansal has resigned from the post of Directorship w.e.f 06/05/2016, so, in order to maintain the composition of the committee, Mrs. Shruti Jain has been inducted as a member of the committee with immediate effect.

#### **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.



# STANA GROUP

## ASHIANA ISPAT LIMITED

- ? 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 All recommendations made by the Committee during the year were accepted by the Board.

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

SI. No.	Name of the Members	Status	No. of Meeting attended
1.	Mr. T.C. Kansal	Chairman & Independent Director	4
2.	Mr. R.P. Bansal	Member &Independent Director	4
3.	Mr. Rajesh Kumar Pal	Member &Independent Director	4

#### Nomination & Remuneration Committee:

The Board has constituted the Nomination 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, Sh. R.P. Bansal and Sri Rajesh Kumar Pal, as on March 31, 2016. Since Mr. R.P. Bansal has resigned from the post of Directorship w.e.f 06/05/2016, so, in order to maintain the composition of the committee, Mrs. Shruti Jain has been inducted as a member of the committee with immediate effect.

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-Executive Directors and Independent Directors. The committee also designs, recommends and reviews the programmes relating to the remuneration for the directors, key managerial personnel.

It also advises in carrying out the evaluation program of each and every Director to ensure that the Board structure is composed of highly competitive and efficient personnel.

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

SI. No.	Name of the Members	No. of meeting(s) held	No. of Meeting attended
1.	Mr. T.C. Kansal	1	1
2.	Mr. R.P. Bansal	1	1
3.	Mr. Rajesh Kumar Pal	1	1

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

Sh. Naresh Chand	Chairman	` 1,25,000/- p.m
Sh. Neeraj Kumar Jain	Managing Director (Works)	` 1,20,000/- p.m
Sh. Puneet Jain	Whole-time Director	` 1,20,000/- p.m
Sh. Sanjay Kumar Jain	Whole-time Director	` 1,20,000/- 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.

## Stakeholders Relationship committee:

Stakeholders relationship committee is headed by Sh. Naresh Chand, Chairman of the Company as chairman and comprises two other Directors Sh. T.C. Kansal and Sh. R.P. Bansal as members, as on March 31, 2016. The Committee is formed consequent to the dissolution of the Shareholder's Grievance Committee. The Committee's composition and terms of reference are in consonance with the requirements of Companies Act, 2013 and Listing Regulations, 2015. Since Mr. R.P. Bansal has resigned from the post of Directorship w.e.f 06/05/2016, so, in order to maintain the composition of the committee, Mrs. Shruti Jain has been inducted as a member of the committee with immediate effect.

The committee overviews the case of transfer/transmission of shares, issue of duplicate share certificates, review the performance of the Registrar & Transfer Agents.

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:

SI. No.	Name of the Members	No. of meeting(s) held	No. of Meeting attended
1.	Mr. Naresh Chand	5	5
2.	Mr. T.C. Kansal	5	5
3.	Mr. R.P. Bansal	5	5

## **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 15days 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, 2016 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.ashianaispat.in/Investor relations

## 6. General Body Meetings:

The details of the last three Annual General meeting:

Year	Location	Date	Day	Time
2012-13	A-1116, Phase-III, RIICO Industrial Area,	30.09.2013	Monday	11.30 A.M
	Bhiwadi-301019, Dist- Alwar-Rajasthan.			
2013-14	A-1116, Phase-III, RIICO Industrial Area,	30.09.2014	Tuesday	11.30 A.M
	Bhiwadi-301019, Dist- Alwar-Rajasthan			
2014-15	A-1116, Phase-III, RIICO Industrial Area,	28.09.2015	Monday	09.30 A.M
	Bhiwadi-301019, Dist- Alwar-Rajasthan			

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 31st March, 2016 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 clauses of the Listing Agreement.

## 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 are published in the newspapers: Business Standard (English & Hindi) and are also made available on the Company's website.

The Company also maintains its official website <u>www.ashianaispat.in</u> 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.



# STANDOL OF OTHER

## ASHIANA ISPAT LIMITED

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, 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-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 2015-16 were published as follows:

Quarter	Date of publication	Name of Newspapers
Quarter ended 31.03.2015	June 2, 2015	Business Standard (English & Hindi)
Quarter ended 30.06.2015	August 15, 2015	Business Standard (English & Hindi)
Quarter ended 30.09.2015	November 15, 2015	Business Standard (English & Hindi)
Quarter ended 31.12.2015	February 14, 2016	Business Standard (English & Hindi)

#### 9. General shareholders information:

## (a) Company Registration Details

The Company is registered in the State of Rajasthan with Corporate Identity No. (CIN) L27107RJ1992PLC006611.

## (b) Annual General Meeting:

Date and time: 28th September 2016 at 11.30 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 : 28.09.2016, 11.30 A.M

Results for the quarter ending 30.06.2016 : On or before August, 2016

Results for the quarter ending 30.09.2016 : On or before November, 2016

Results for the quarter ending 31.12.2016 : On or before February, 2017

Results for the quarter ending 31.03.2017 : On or before May, 2017

(d) Book Closure Date : 22.09.2016 to 28.09.2016

(e) Listing of Equity Shares : Mumbai (BSE)

Phiroze Jeejebhoy Towers, Dalal Steet, Mumbai-400 001

The Company has paid the Annual Listing fees for the Financial Year 2015-16.

(f) Stock Market Data :Bombay Stock Exchange (BSE) BSE Quote : (ASHISH) -513401

Month F.Y. 2015-16	High Price	Low Price
Apr 15	11.57	9.00
May 15	10.74	8.98
Jun 15	9.84	8.46
Jul 15	10.10	8.75
Aug 15	9.60	8.70
Sep 15	11.25	8.20
Oct 15	11.70	9.70
Nov 15	12.51	10.55
Dec 15	12.49	11.15
Jan 16	15.70	12.41
Feb 16	13.80	10.35
Mar 16	10.06	8.40





## (g) Status of dematerialization as on 31.03.2016

Particulars	No. of shares	% of capital	
NSDL	2388557	53.50	
CDSL	551908	12.36	
Total Dematerialized	2940465	65.86	
PHYSICAL	1524335	34.14	
TOTAL	4464800	100.00	, and the second

## (h) Registrar & Share Transfer Agent and

#### Link Intime India Private Ltd.

44, Community Centre,  $2^{\text{nd}}$  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 Clause 47 (c) of the Listing Agreement and files the same with the Stock Exchange on half-yearly basis.

## (i) Shareholding pattern as on 31.03.2016

SI. 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
	Total	4464800	100.00

## (j) Distribution on shareholding as on 31.03.2016

DISTRIBUTION OF SHAREHOLDING (RUPEES)							
			Div	I	CHARLEHOLDHAG (ROLL	_0)	
SR.NO.	SHAREHOLDING OF NOMINAL SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARE S	PERCENTAGE OF TOTAL.
1	1	to	5000	10588	96.9159	15227640	34.1060
2	5001	to	10000	185	1.6931	1570070	3.5166
3	10001	to	20000	72	0.6589	1140680	2.5548
4	20001	to	30000	17	0.1556	426260	0.9547
5	30001	to	40000	11	0.1007	405350	0.9079
6	40001	to	50000	13	0.119	600090	1.3440
7	50001	to	100000	9	0.0824	630990	1.4133
8	100001 & Above			30	0.2744	24646920	55.2027
		,	•	10925	100	44648000	100.0





## **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

The above report was adopted by the Board of Directors at their meeting held on 30.05.2016.

## 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 31.03.2016.

Place: Bhiwadi Date: 30.05.2016

(Puneet Jain)
Managing Director
DIN: 00814312

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 31.03.2016, as has been provided in Clause 49 of the Listing Agreement till 30<sup>th</sup> November, 2015 and in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1<sup>ST</sup> December, 2015.

The compliance of conditions of Corporate 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 Agreement/ Regulations with the stock Exchange have been complied with in all material respect by the Company.

For S.Singhal & Company
Chartered Accountants
Place: Bhiwadi (Registration No. 001526C)

Date: 30.05.2016

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



# SHANA GROUP PORMODE OF OUR

## ASHIANA ISPAT LIMITED

#### **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, 2016 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: 30.05.2016

For and on behalf of the Board
For Ashiana Ispat Limited

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



# PONTAGE OF OUR PARTIES O

## ASHIANA ISPAT LIMITED

#### MANAGEMENT DISCUSSION AND ANALYSIS

## [A] FINANCIAL REVIEW

The global economy began its modest recovery in the FY 2015-16. A combination of persistent inflation, fiscal imbalances and low investments resulted in sluggish domestic demand growth.

Your Company registered an average performance during 2015-16. Both revenues and profitability margin have shown considerable decline. EBDIT stood at `698.50 Lacs. EPS for the year was recorded at 1.49 as compared to 4.67 in the previous year.

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

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.

The Indian steel industry is very modern with state-of-the-art steel mills. From January-June 2014, India produced 41.28 million tonnes (MT) steel, up 1.4 per cent over 40.72 MT in the year-ago period. India's finished steel production rose by a modest 4.4 per cent in June 2014 The production growth has remained subdued since the beginning of 2014-15. Meanwhile, The country produced 7.15 MT of steel in September 2014 as compared to 6.88 MT of steel produced in September 2013..

India produced 7.07 MT of steel in January 2015 reporting the fourth highest production level globally which was 1.7 per cent higher than the country's steel production in the same month last year.

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

The over \$100 billion Indian steel industry is placing bets on rising domestic demand in the new year as it tries to counter predatory pricing and import glut that haunted the sector in 2015.

Experts from the steel sector predict that India will be better placed than its Asian counterparts during the year 2016 due to rising domestic steel demand and economic growth.

The success for players is closely linked to government decisions around import/export duties and mining taxes as well as environmental and land regulations. Moreover, Governmet's focus on "Make in India" concept and on infrastructural development will translate into continued demand for steel in next couple of years.

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.

However, steel industry is badly affected by the increased imports from China with cheaper products. Steel industry in India, still trails behind in several areas when compared with many other nations such as China, Japan, USA etc. in terms of efficiency, Research and Development(R&D), and technology development. 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's steel demand is likely to rise by 4-5 per cent this year and will touch a compounded annual growth rate (CAGR) of 15 per cent after FY17. 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

India is expected to become the world's second largest producer of crude steel in 2015-16, moving up from the fourth position, as its capacity is projected to increase from 100 MT to about 112.5 MT in 2016. Also, India has set





an output target of 300 MT of steel by 2025.

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

However, as highlighted in the 12th plan Approach Paper, given the strong fundamentals the economy is very well placed to achieve a growth rate of 9% over the next five years.

Domestic steel producers will have to increase their focus on cost competitiveness and efficiency of operations to protect their margins.

#### [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 our most important assets. The Company put focus on individual development of the employees, where they are encouraged to discover their purpose and articulate it with aspirations of the Company. The strategic themes and business objectives are being revalidated by the Company periodically to incorporate the best corporate practices in our culture.

## [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.



# POLITICOL OF CHILD

## ASHIANA ISPAT LIMITED

## **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 31st March, 2016, 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 those 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 2016, 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;





- 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;
- On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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
- 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any ii. 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.

Dated: 30.05.2016 For S.Singhal & Co.

Place: Bhiwadi Chartered Accountants

(Registration No. 001526C)

(R.K.Gupta)

**PARTNER** 

M.No.073846



# ASTANDOL OF CULT

## ASHIANA ISPAT LIMITED

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

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
  - b. The fixed assets have 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.
- 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 physically verified by
  the management at reasonable intervals during the year.
- 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 for the maintenance of Cost Records under section 148 of the Act, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made the detailed examination of such cost records.
- 7. a. On the basis of our examination of the records of the Company, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other applicable undisputed statutory dues have generally been deposited regularly with the appropriate authorities except delays in few cases and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned, for a period of more than six months from the date they became payable.
  - b. The disputed statutory dues aggregating to `41.83 Lacs their against `40.81 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 (`.in Lacs)	Forum where Dispute is pending
Income Tax Act	Income Tax Matters	A.Y. 2013-14	2.26	CIT (Appeals), Alwar
Central Excise Act &	Central Excise Duty	F.Y. 2001-02	1.02	High Court of Rajasthan, Jaipur
Finance Act	Service tax	F.Y. 2008-09	38.55	CESTAT- Delhi

- 8. The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any debentures
- According to the information and explanation given to us & records examined by us no term loan has been taken 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.
- According to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.





- The Company has paid/provided for 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(xiii) of the Order is not applicable.
- According to the information and explanation given to us transactions with the related parties are in compliance with 13. 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.
- 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.

Dated: 30.05.2016 For S.Singhal & Co.

Place: Bhiwadi **Chartered Accountants** 

(Registration No. 001526C)

(R.K.Gupta) **PARTNER** 

M.No.073846



# PORTO OF OUR

## ASHIANA ISPAT LIMITED

# 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 2016 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 authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2016 based on the internal financial control over financial reporting criteria established by the company considering the essential component of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Dated: 30.05.2016 For S.Singhal & Co.

Place: Bhiwadi Chartered Accountants

(Registration No. 001526C) (R.K.Gupta) PARTNER M.No.073846





## BALANCE SHEET AS AT 31.03.2016

BALANCE	SHEET AS AT 31.03.2	Amount in `	Amount in `
Particulars	Note	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	44,648,000	42,615,000
(b) Reserves and Surplus	2	186,591,615	183,148,425
(2) 11 (2)		231,239,615	225,763,425
(2) Non-Current Liabilities		====	== .=.
(a) Long-Term Borrowings	3	208,735,904	383,077,259
(b) Deferred Tax Liabilities (Net)	4	8,379,617	9,189,278
(c) Other Long Term Liabilities	5	873,977	772,479
(d) Long Term Provisions	6	1,457,575	1,325,639
(2) 2		219,447,073	394,364,655
(3) Current Liabilities	_		
(a) Short-Term Borrowings	7	347,888,483	242,266,299
(b) Trade Payables	8	131,335,477	167,272,902
(c) Other Current Liabilities	9	61,750,117	55,954,496
(d) Short-Term Provisions	10	14,325,567	17,144,172
		555,299,645	482,637,869
Total Equity & L	iabilities	1,005,986,332	1,102,765,949
II.ASSETS			<u> </u>
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Gross Block		192,534,432	180,624,424
(ii) Depreciation		101,587,147	87,734,120
(iii) Net Block		90,947,285	92,890,304
(b) Non-current investments	12	8,777,250	8,777,250
(c) Long term loans and advances	13	11,274,347	8,176,605
(d) Other non-current assets	14	3,888,348	21,062,214
		23,939,945	38,016,069
(2) Current Assets			
(a) Inventories	15	258,144,785	171,351,332
(b) Trade receivables	16	536,806,379	619,028,082
(c) Cash and cash equivalents	17	15,296,925	61,875,611
(d) Short-term loans and advances	18	17,032,040	19,235,269
(e) Other current assets	19	63,818,973	100,369,281
(o) Other during description	13	891,099,102	971,859,576
		001,000,102	07 1,000,010
To	tal Assets	1,005,986,332	1,102,765,949
	···	.,,,	.,,,0 10

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)

Place:- Bhiwadi Date:- 30th May 2016 (Harun Rashid Ansari) Company Secretary (ACS 11147)





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03. 2016

		Amount in `	Amount in `
Particulars	Note	As at 31.03.2016	As at 31.03.2015
INCOME			
Gross Revenue from operations	20	2,160,001,737	2,990,997,288
Less Excise Duty		238,368,853	309,418,863
Net Revenue from operations		1,921,632,884	2,681,578,425
Other Income	21	57,038,241	25,185,820
Total Revenue		1,978,671,125	2,706,764,245
EXPENDITURE:			
Cost of materials consumed	22	1,562,906,546	2,074,825,126
Purchase of Stock-in-Trade		-	121,885,175
Changes in inventories of finished goods, work-in-progress			
and Stock-in-Trade	23	(12,303,641)	12,947,542
Employee Benefit Expense	24	20,851,370	20,859,723
Finance Costs	25	48,890,907	61,016,957
Depreciation and Amortisation		13,853,028	15,254,575
Other Expenses	26	335,718,640	370,695,612
Total Expenses		1,969,916,850	2,677,484,710
Profit before Tax		8754276	29,279,535
_			
Tax expense:		0.007.040	40.040.077
(1) Current tax		3,087,963	10,948,277
(2) Deferred tax		(809662)	(1571876)
Profit for the year		6475974	19903135
Earning per equity share of face value of ` 10 each:			
Basic and Diluted		1.49	4.67

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:- 30th May 2016 (Naresh Chand) Chairman (DIN: 00004500)

(Harun Rashid Ansari) Company Secretary (ACS 11147)





## CASH FLOW STATEMENT FOR THE YEAR YEAR ENDED 31ST MARCH 2016

	0/(0/// 201/ 0/// 2/// 10// // // // // // // // // // // // //		Amount in `
	Particulars	2015-16	2014-15
[ A ]	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	8,754,275	29,279,535
	Adjustments For :-		
	Depreciation	13,853,028	15,254,575
	Interest Paid	48,890,907	61,016,957
	Interest Income	(2,144,209)	(10,181,367)
	Loss on Sale of Vehicle	-	979,933
	Operating Profit Before Working Capital Changes	69,354,001	96,349,633
	Adjustments For :-		
	Long term loans and advances	(3,097,742)	2,622,642
	Other non-current assets	17,173,866	46,690,887
	Trade receivables	82,221,703	(113,955,108)
	Short-term loans and advances	2,203,229	98,096,127
	Other current assets	36,550,308	(66,710,653)
	Inventories	(86,793,453)	8,803,099
	Other Long Term Liabilities	101498	(121,457)
	Long Term Provisions	131936	305,807
	Trade Payables	(35,937,425)	(80,523,830)
	Other Current Liabilities	5795621.2	(89,811,240)
	Short-Term Provisions	(5,906,568)	8.750.099
	Cash from Operation	81,796,977	(107,004,191)
	Cash Flow Before Extraordinary Items	81,796,977	(107,004,191)
	Income Tax Paid for earlier year	(3,032,784)	114,653
	Net Cash From Operating Activities	78,764,193	(106,889,538)
[B]	CASH FLOW FROM INVESTING ACTIVITIES		
[-]	Purchase Of Fixed Assets	(11,910,009)	(12,384,565)
	Sale of Fixed Assets	(11,010,000)	2,110,000
	Interest Received	2,144,209	10,181,367
	Sale of Investment	=, ,= = =	25,000
	Cash Used in Investing Activities	(9,765,800)	(68,198)
[C]	CASH FLOW FROM FINANCING ACTIVITIES	(-,,)	(,)
[O]	Finance Cost Paid	(48,890,907)	(61,016,957)
	Increase in share capital (Call in Arrear received)	2.033.000	3,500
	Proceeds From Long/ Short Term Borrowings	(68,719,172)	200,669,423
	Cash Used/ Generated in Financing Activities	(115,577,079)	139,655,966
	Cash Osed/ Generated in Financing Activities	(113,377,079)	139,033,900
	Net Increase/ (Decrease) In Cash and Cash Equivalents	(46,578,686)	32,698,230
	Cash and Cash Equivalents (Opening Balances)	61,875,612	29,177,382
	Cash and Cash Equivalents (Closing Balances)	15,296,925	61,875,612
Note to	cash flow statement:		

#### 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
 10,117,670
 9,108,715

 Balance with banks:
 5,179,255
 52,766,897

 -Fixed Deposits

 15,296,925
 61,875,612

## As per Our Report of even date

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

 (R.K. GUPTA)
 (Naresh Chand)

 Partner
 (DIN: 00004500)

Membership No.: 073846

Place:- Bhiwadi Date:- 30th May 2016 (Harun Rashid Ansari) Company Secretary (ACS 11147)





## 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 applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956

## 2 Use of Estimates

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 accured 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

(Naresh Chand) Chairman (DIN: 00004500)

Place:- Bhiwadi Date:- 30th May 2016 (Harun Rashid Ansari) Company Secretary (ACS 11147)





#### **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, 2016 reported upon by us on **30th May 2016**. 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

(R. K. Gupta) Partner M.S. No. 073846

Place: Bhiwadi Date: - 30.05.2016





## Notes on Financial Statement for the year ended 31st MARCH, 2016

Note: 1	Share Capital	Amount in `	Amount in `
Sr. No	Particulars	As at 31.03.2016	As at 31.03.2015
1.1	AUTHORIZED CAPITAL 50,00,000 Equity Shares of ` 10/- each.	50,000,000 50,000,000	50,000,000 50,000,000
1.2	ISSUED 44,64,800 Equity shares of ` 10/- each fully paid	44,648,000	44,648,000
1.3	SUBSCRIBED & PAID UP CAPITAL 44,64,800 Equity shares of ` 10/- each Less: Calls in Arrear - from others	44,648,000 44,648,000 -	44,648,000 44,648,000 2,033,000
	Total	44,648,000	42,615,000
1.4	The Details of Shareholders holding more than 5% shares:  As at 31.03.2016  As at 31.03.2015		
1.5	Name of shareholders         No. of Shares         % held         No. of Shares         %           Puneet Jain         224600         5.03         224600           Kamdhenu Steel & Alloys Ltd         330735         7.41         330735           Sanjay Kumar Jain         262500         5.88         262500           The Reconciliation of the number of shares outstanding is set out below:           Particulars         As at 31.03.2016         As at 31.03.2015           No. of Shares         No. of Shares           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	held 5.03 7.41 5.88	
Note : 2	Reserve & Surplus		
Sr. No	Particulars	As at 31.03.2016	As at 31.03.2015
1	Surplus (Profit & Loss Account) Balance brought forward from previous year Add: Profit for the period Less: Taxes of earlier years Less:- Adjustment relating to fixed Assets Total	183,148,425 6475974 3,032,784 - 186,591,615	164,116,279 19,903,135 (114,653) 985,642 183,148,425
Note : 3	Long Term Borrowings		
Sr. No	Particulars	As at 31.03.2016	As at 31.03.2015
1	Vehicle Loans Secured against Hypothecation of Vehicles: HDFC Bank Car Loan	2,078,486	3,887,486
2	Unsecured Loan_ From Body Corporate From Directors	155,997,842 50,659,576	284,580,429 94,609,344
	Total	208,735,904	383,077,259
Note: 4	Deferred Tax liabilities(net)		
Sr.No.	Particulars Particulars	As at 31.03.2016	As at 31.03.2015
	Deferred Tax Liabilities On Diff. in WDV as per IT Act and as per Companies Act Deferred Tax Assets on:-	8,854,369	9,640,931
	Gratuity(Unfunded) Net Deferred Tax Liabilities	474,753 8,379,616	451654 9,189,278
Note : 5	Other Long Term Liabilities	Amount in Rs	Amount in `
Sr.No.	Particulars	As at 31.03.2016	
1	Sundry Creditors -Capital goods Total	873,977 873,977	772,479 772,479





Notes on Financial Statement for the year ended 31st MARCH, 2016

Sr. No	P	articulars	As at 31.03.2016	As at 31.03.2015
1	Gratuity Payable(Unfunded)		1,457,575	1,325,63
		Total	1,457,575	1 225 62
		Total	1,457,575	1,325,63
lote :7	Short Term Borrowings			
Sr. No		articulars	As at 31.03.2016	As at 31.03.2015
а	Secured Loan from Bank Working Capital Loan From State Bank of Bikaner & Jaipur, De the entire current assets of the company, ir spares, stock in process, finished goods, b assets etc. Additionally secured by the followings: a) Extension of first exclusive charge on Cr at A-1116 &-A-1119/H-21-25, Phase III, B	ncluding raw material, store & ook-debts and other current ompany's Factory Land and Building	276,074,535	221,367,99
b	b) Extension of First Charge on Company's covered in (a)     c) Personal Guarantee of two directors  Unsecured Loans	s entire fixed assets other than land & building		
~	From Body Corporate		8,909,169	943,14
	From Directors	Total	62,904,779	19,955,16
		Total	347,888,483	242,266,29
	3 Trade Payables			
Sr. No	Р	articulars	As at 31.03.2016	As at 31.03.201
1	Sundry Creditors		131,335,477	167,272,90
		Total	131,335,477	167,272,90
Note : 9	Other Current Liabilities			
Sr. No		articulars	As at 31.03.2016	As at 31.03.201
1	Current Maturities of Vehicle Term Loans s HDFC Bank Car Loan	ecured against the Vehicles:	1,809,001	1,637,11
2	Statutory Dues Payable Excise and Service Tax payable		130,675	6,81
	Excise and Service rax payable			0,01
	TDS & TCS Pavable			2.510.45
	TDS & TCS Payable Vat Payable		460,235 7,001,232	2,510,45 13,778,38
3	Vat Payable Employee Benefits Payable		460,235 7,001,232	13,778,38
3	Vat Payable Employee Benefits Payable Salary Payable		460,235 7,001,232 841,835	13,778,38 887,90
3	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable		460,235 7,001,232 841,835 549,493	13,778,38 887,90 523,91
3	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable		460,235 7,001,232 841,835 549,493 57,095	13,778,38 887,90 523,91 52,90
3	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable		460,235 7,001,232 841,835 549,493	13,778,38 887,90 523,91
	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485	13,778,38 887,9 523,9 52,90 179,85 36,143,09 234,06
4 5	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable	Total	460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395	13,778,38 887,90 523,90 52,90 179,85
4 5 ote :10	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable 0 Short Term Provisions	Total articulars	460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485	13,778,38 887,9 523,9 52,90 179,85 36,143,09 234,06
4 5 lote :10 Sr. No 1	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable  0 Short Term Provisions  P Wealth Tax Provision		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016	13,778,38 887,90 523,91 52,90 179,88 36,143,09 234,06 55,954,49 As at 31.03.201 150,33
4 5 lote :10 Sr. No 1 2	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable 0 Short Term Provisions  Wealth Tax Provision Provision of Excise Duty on Closing Stock		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016	13,778,38 887,90 523,9° 52,90 179,85 36,143,05 234,06 55,954,49 As at 31.03.201 150,33 1,792,85
4 5 lote :10 Sr. No 1 2 3	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable 0 Short Term Provisions  P Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 61,750,117 As at 31.03.2016	13,778,38 887,9 523,9 52,90 179,86 36,143,00 234,00 55,954,49  As at 31.03.201 150,33 1,792,86 10,948,27
4 5 lote :10 Br. No 1 2 3 4	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable 0 Short Term Provisions  P Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision Gratuity Payable		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016	13,778,38 887,9 523,9 52,9 179,86 36,143,06 234,00 55,954,46  As at 31.03.201 150,33 1,792,86 10,948,21 66,44
4 5 lote :10 Sr. No 1 2 3	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable 0 Short Term Provisions  P Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 61,750,117 As at 31.03.2016	13,778,38 887,9 523,9 52,90 179,86 36,143,00 234,00 55,954,49  As at 31.03.201 150,33 1,792,86 10,948,27
4 5 lote :10 Sr. No 1 2 3 4 5	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable  0 Short Term Provisions  Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision Gratuity Payable Telephone Expenses payable		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016 3,198,367 3,087,963 78,842 41,782	13,778,38 887,9 523,9 52,9 179,88 36,143,08 234,00 55,954,48  As at 31.03.201 150,33 1,792,88 10,948,27 66,44 49,34
4 5 Sr. No 1 2 3 4 5 6	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable  0 Short Term Provisions  P Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision Gratuity Payable Telephone Expenses payable Power Expenses payable Audit Fee Payable ISI Expenses Payable		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016 - 3,198,367 3,087,963 78,842 41,782 7,570,844	13,778,38 887,91 523,9 52,90 179,81 36,143,08 234,01 55,954,48  As at 31.03.201 150,33 1,792,86 10,948,27 66,44 49,3 3,767,06
4 5 Sr. No 1 2 3 4 5 6 7	Vat Payable Employee Benefits Payable Salary Payable Bonus & Ex-Gratia Payable ESI Payable PF Payable Advance from customers Expenses Payable  O Short Term Provisions  Wealth Tax Provision Provision of Excise Duty on Closing Stock Income Tax Provision Gratuity Payable Telephone Expenses payable Power Expenses payable Audit Fee Payable		460,235 7,001,232 841,835 549,493 57,095 183,671 50,665,395 51,485 61,750,117 As at 31.03.2016 - 3,198,367 3,087,963 78,842 41,782 7,570,844 135,000	13,779,38 887,9 523,9 52,9( 179,8( 36,143,00) 234,00 55,954,4(  As at 31.03.201 150,33 1,792,8( 10,948,2) 66,4( 49,3 3,767,0( 151,66





Note: 11				FIXED ASSETS						
DESCRIPTION OF ASSETS		GROSS BLOCK	SLOCK			DEPRE	DEPRECIATION		NET BLOCK	CK
	As at 01.04.2015	Addition	Trf in Retained A Earning in last year	Trf in Retained As at 31.03.2016 Earning in last year	Up to 31.03.2015	For the Year	Dep for Sale/Adjustment/	Up to 31.03.2016	As At 31.03.2016	As At 31.03.2015
	(`)	(,)	(,)	(`)	(_)	(.)		(,)	(.)	
Tangible Assets										
Land	4,982,220			4,982,220			,	٠	4,982,220	4,982,220
Building	25,052,881	225,000		25,277,881	10,969,823	743,733	,	11,713,556	13,564,325	14,083,058
Plant & Machinery	86,523,924	5,371,711		91,895,635	45,271,860	5,704,194		50,976,053	40,919,581	41,252,064
Coal Gassifire	1,128,674 -			1,128,674	153,401	33,328	٠	186,729	941,945	975,273
Plant & Machinery Electric	25,518,745	2,919,518	311,359	28,126,904	17,368,660	2,276,552		19,645,212	8,481,692	7,838,726
Laboratory Equipments	828,099	2,538,380	2,679	3,196,579	455,371	259,839		715,210	2,481,369	202,828
Office Equipments	2,076,557	139,228	641,403	1,574,382	964,767	144,184		1,108,951	465,432	470,388
Vehicles	35,383,829			35,383,829	12,433,736	4,642,981	,	17,076,717	18,307,112	22,950,093
Computers	111,250	88,050	3,981	195,319	51,490	37,418		88,907	106,411	55,779
Furniture & Fixtures	149,268	,	20,893	128,375	49,592	10,800		60,392	67,984	78,783
Tubwell	21,840		5,328	16,512	15,420			15,420	1,092	1,092
Total	181,610,066	11,281,887	985,642	191,906,310	87,734,120	13,853,028	,	101,587,148	90,319,163	92,890,303
intangible Assets						•				
Capital Work-in-progess		628,122		628,122		•	•		628,122	
Grand Total	181,610,066	11,910,009	985,642	192,534,432	87,734,120	13,853,028	•	101,587,148	90,947,285	92,890,303
Previous Year's Figures	204,722,729	12,384,565	(35,497,228)	181,610,066	104,886,840	15,254,575	(32,407,295)	87,734,120	92,890,303	99,835,889





Notes on Financial Statement for the year ended 31st MARCH, 2016

Note:	12 Non Current Investment	ncial Statement for the year ended 31st MAR	Amount in `	Amount in `
Sr. No		Particulars	As at 31.03.2016	As at 31.03.2015
1	Investment in Equity Instrument	"		
	a Shares of Ashiana Manufacturing Ir of ` 10 each @ ` 5 Premium Per sh	ndia Ltd., Investment in 585150 Equity shares	8,777,250	9 777 250
	or roleach & Streimaint ersi	'		8,777,250
		Total	8,777,250	8,777,250
	13 Long Term Loans and Advances	Doutionland	A+ 04 00 0040	A1 04 00 0045
Sr. No	)	Particulars	As at 31.03.2016	As at 31.03.2015
1	Security Deposit			
	Unsecured, Considered Good :		11,274,347	8,176,605
		Total	11,274,347	8,176,605
	14 Other Non Current Assets	Doutierdoue	A+ 04 00 0040	A1 04 00 0045
Sr. No	)	Particulars	As at 31.03.2016	As at 31.03.2015
	Others Unsecured, considered good			
	1 Advances for Capital goods		33,000	73,396
	2 Income Tax Deposit against Demand	d	-	17,133,470
	3 Service Tax Refund filed with Depart	ment	3,855,348	3,855,348
		Total	3,888,348	21,062,214
Note:	15 Inventories			
Sr. No		Particulars	As at 31.03.2016	As at 31.03.2015
OI. 140	1 Raw Material	1 di liculato	207,009,192	131,159,308
	2 Work-in-Progress		1,614,383	1,926,060
	3 Finished Goods		34,396,363	24,329,892
	4 Stock of Traded Goods			
	5 Stores & Spares		7,399,238	6,909,887
	6 Waste and Scrap & Runner Riser		3,677,593	1,128,746
	7 Others (Ferro Alloys, Coal etc)		4,048,016	5,897,439
		Total	258,144,785	171,351,332
Note:	16 Trade Recievables			
Sr. No	)	Particulars	As at 31.03.2016	As at 31.03.2015
	1Outstanding for more than six months	<u> </u>		
	Unsecured, Considered Good:		94,258,960	111,347,632
	20th are (less than six months)			
	2Others (less than six months) Unsecured, Considered Good:		440 547 440	E07 C00 4E0
	Unsecured, Considered Good :		442,547,419	507,680,450
		Total	536,806,379	619,028,082
Note :	47 Cook 9 Cook Favirolant		-	
	17 Cash & Cash Equivalent	Particulars	Amount in Rs	Amount in `
Sr. No	)	Faiticulais	As at 31.03.2016	As at 31.03.2015
1	Cash in Hand			
	Cash Balance		10,117,670	9,108,715
2	Bank Balance		10,111,010	0,100,110
_	In Current Accounts		5179255	52,766,897
				- ,,
		Total	15,296,925	61,875,611
Note:	18 Short Terms Loans and Advances			
Sr. No	)	Particulars	As at 31.03.2016	As at 31.03.2015
	1 Advance Recoverable in cash or in k	kind or for value to be considered good		
	-Related parties		4 000 010	4 400 000
	- Others	lanartment	1,298,213	4,163,232
	2 Balance with Excise & Service Tax D	терапшет	6,719,756	2,538,837
	3 Advance Income Tax and TDS/TCS 4 FBT Refundable		7,672,631	11,100,858
	5 Prepaid Expenses		46,151 1,295,289	46,151 1,386,191
	o i Topalu Experises		1,235,209	1,300,191
		Total	17,032,040	19,235,269
		. • • • • • • • • • • • • • • • • • • •	17,002,040	. 0,200,200





## Notes on Financial Statement for the year ended 31st MARCH, 2016

Note	.19	Other	Current Assets	3

Sr No	. Particulars	As at 31.03.201	6 As at 31.03.2015
	1 Balance with Sales Tax Department	16,707,94	16 23,107,757
	2 Advance to Suppliers	34,125,61	
	3 Interest Receivable on JVVNL Security	782,00	
	4 Insurance Premium Refundable 5 Income Tax Refund	430	- , -
	5 Income rax Refund Total	12,160,40 63,818,97	
	Iviai	03,010,97	3 100,309,201
Noto:	20 Revenue from Operations	Amount in `	Amount in `
Sr. No	·	As at 31.03.2016	As at 31.03.2015
01.14	1 Gross Sale of Products	2,144,308,517	2,930,475,339
	2 Other Operating Revenue :	2,111,000,011	2,000,170,000
	2 canor operating records :		
	Income from Consignment Sale	15,693,221	9,793,624
	Gross Revenu		2,940,268,963
	Less Excise Duty	238,368,853	309,418,863
	Net Revenue from operation	1,921,632,884	2,630,850,100
	'		
Note:	21 Other Income		
Sr. No		As at 31.03.2016	As at 31.03.2015
	1 Interest Income		
	Income Tax Refund	1,258,905	10,181,367
	Others	885,304	15,004,453
	2 Income on Commodities & Currency	54,894,032	50,728,325
	Total	57,038,241	75,914,145
		<u> </u>	
Note : Sr. No	22 Cost of Material Consumed Particulars	As at 31.03.2016	As at 31.03.2015
1	Opening Stock	710 01 01.00.2010	710 41 01:00:2010
	Raw Material-M.S Scrap and Sponge	37,569,216	25,737,618
	Raw Material-M.S Ingots	93,590,092	108,273,633
	ran maona m.o mgoto	00,000,002	100,270,000
2	Add: -PURCHASES_		
	Raw Material-M.S Scrap and Sponge	369,711,300	472,412,011
	Raw Material-M.S Ingots	1,269,045,130	1,599,561,172
	J	,,,	,,,
3	Less:- Closing Stock		
	Raw Material-M.S Scrap and Sponge	28,322,277	37,569,216
	Raw Material- M.S Ingots	178,686,915	93,590,092
	Raw Material consumed	1,562,906,546	2,074,825,126
Note:	23 Change in Inventories		
Sr. No		As at 31.03.2016	As at 31.03.2015
	1 Opening Stock of Finished Goods and Stock in Trade	24,329,892	37,290,595
	Opening Stock of Runner Riser and W &S, Scrapped rolls	1,128,746	1,459,275
	Opening Stock of Stock in Process	1,926,060	1,582,370
	Total	27,384,698	40,332,240
	2 Closing Stock of Finished Goods and Stock in Trade	34,396,363	24,329,892
	Closing Stock of Runner Riser and W & S, scrapped rolls	3,677,593	1,128,746
	Closing Stock of Stock in Process	1,614,383	1,926,060
	Total	39,688,339	27,384,698
	Total	(12,303,641)	12,947,542





## Notes on Financial Statement for the year ended 31st MARCH, 2016

Note : 24 Employee Benefit Expenses		
Sr. No Particulars	As at 31.03.2016	As at 31.03.2015
1 Salaries and Wages	7,046,931	6,779,157
2 House Rent Allowance	2,311,215	2,112,728
3 Labour Charges Contractor	3,794,171	3,878,200
4 Conveyance Allowance	528,500	552,000
5 Contribution to PF & EDLI Charges	642,131	627,541
6 Contribution to ESI	264,571	253,219
7 Directors Remuneration	5,570,000	5,820,000
8 Gratuity	144,358	312,962
9 Bonus and Ex-Gratia	549,493	523,916
Total	20,851,370	20,859,723
Defined Contribution Plan		
As per Accounting Standard 15 "Employee Benefits" the disclosures as defined in the Acc Standard are given below:-		
Contribution to Defined Contribution Plans, recognised as expenses for the year is as und		
	2015-16	2014-15
Employers Contribution to Provident fund	575,404	553,831
Employers Contribution to ESI	264,571	253,219
	Amount in	` Amount in `
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	
	2015-16	2014-15
Defined Benefit obligation at the beginning of the year	1,392,059	1,079,097
Interest cost	111,365	86,328
Current Service Cost	243,488	229,614
Benefits Paid	-	-
Actuarial Gain/loss	(210495)	(2980)
Defined Benefit obligation at the end of the year	1,536,417	1,392,059
Funded Status		
Present Value of the obligation at the end of the year	1,536,417	1,392,059
Fair Value of plan assets at end of the year	-	-
Net Liability (asset) recognised in Balance Sheet and related analysis	1,536,417	1,392,059
Funded Status	(1536417)	(1392059)
Expenses Recognised during the year	2015-16	2014-15
Interest cost	111,365	86,328
Current Service Cost	243,488	229,614
Expented Return on plan assets	-	
Actuarial Gain/loss	(210495)	(2980)
Expenses recognised in the profit and loss account	144,358	312,962
2.poi.too toogittoo in the profit and too decount	,000	0.2,002
Actuarial Assumptions	2015-16	2014-15
Discount Rate (in %)	8.00	8.00
Salary Growth rate (in %)	5.00	5.00
Mortality LIC	IALM 2006-08 Ultimate	
Expected rate of return	IALIVI ZUUU-UU UIIIIIALE	IALIVI ZUUU-UO UIIIITIALE
·	20/	20/ 5 2
withdrawal rate (in %) per annum	2% p.a	2% p.a

The estimates of rate of excalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors. The above information is cetified by the actuary.





Notes on Financial Statement for the year ended 31st MARCH, 2016

Note :25 Finance Cost			
Sr. No	Particulars	As at 31.03.2016	As at 31.03.2015
1 Interest Expenses		47,243,013	60,076,254
2 Other Borrowing C	Costs	1493102	802381
3 Bank & other Fina	ncial Charges	154,792	138,322
Total	-	48,890,907	61,016,957

lote : 26 Sr. No	6 Other Expenses Particulars	Amount in ` As at 31.03.2016	Amount in ` As at 31.03.2015
1	Manufacturing Expenses:		
·	Consumption of Stores and spares	25,565,220	23,946,090
	Power and Fuel	255,581,278	281,070,753
	Factory Expenses	4,481,975	4,988,215
	Insurance Plant and Machinery	524497	515257
	Repair to Plant and Machinery	752,992	428,546
	Increase/Decrease in Provision of Excise Duty on Closing Stock of finished goods	1405516	(1,119,068)
2	Other Administrative Expenses:		
	Auditors Remuneration:		
	Statutory Audit Fee	110,000	110,000
	Tax Audit	40,000	40,000
	Insurance Others	1,427,253	1,562,621
	Repair others	213,190	403,071
	Rent	2,270,000	2,084,166
	Miscellaneous Expenses	1,187,740	1,481,366
	Donation	70,000	66,100
	Vehicle Running Expenses	422,587	1,193,749
	Loss on Sale of Vehicle	-	979,933
	Legal & Professional Charges	555,072	430,048
	Printing and Stationery Expenses	318,087	240,909
	Telephone Expenses	724,396	704,133
	Provision for Wealth Tax		150,338
	Rates, Fee & Taxes	499,112	1,035,417
3	Selling and Distribution Expenses:		
O	Brokerage and Commission on Sale	1,978,207	7,542,490
	Freight outward and loading unloading charges	30,143,375	33,529,768
	Sales promotion expenses	5,448,408	7,444,993
	Advertisement expenses	1,252,230	1,225,982
	Rebate and Discounts	152,895	168,044
	Packing Material	594,610	472,690
	Total	335,718,640	370,695,612
lote 27	Earning per shares (EPS)	0045.40	2044.45
	Not Drofit after tay as per D. 9. Latetement	<b>2015-16</b> 6475974	<b>2014-15</b> 19903135
	Net Profit after tax as per P & L statement		
	Weighted average number of equity shares used	4334130	4261311
	as denominator for calculating EPS	4.40	4.07
	EPS (`) -Basic and Diluted Face Value per equity share in `	1.49	4.67 10



# POLITICO OF OTHER

## ASHIANA ISPAT LIMITED

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 M/s I Dreams Impex Pvt. Ltd. M/s Ashiana Fincap Pvt Ltd
- (ii) Key Managerial Personnel Naresh Chand (Director) Neeraj Kumar Jain (Whole Time Director) Sanjay Kumar Jain (Whole Time Director) Puneet Jain (Whole Time Director)
- (iii) Relatives of Key Managerial Personnel Naman Jain Renu Jain

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

) Transactions with related parties	Amount in `	Amount in `
Nature of Transactions	2015-16	2014-15
Interest given on Unsecured Loans	14778279.00	25356392.00
Unsecured loans taken	234232492.00	439933000.00
Purchase made	47554506.00	75283581.00
Remunerations Paid to Directors	5570000.00	5820000.00
Repayment of Unsecured loans	369154155.00	201839835.00
Sale made	22861074.00	8565237.00
Commission Received	15693221.00	9793624.00
Rent Paid	1020000.00	870000.00

Note: Details of remuneration to key managerial personnel are give below:		
Name of Person	2015-16	2014-15
Naresh Chand	1250000.00	1500000.00
Neeraj Kumar Jain	1440000.00	1440000.00
Sanjay Kumar Jain	1440000.00	1440000.00
Puneet Jain	1440000.00	1440000.00

#### 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" issued by ICAI 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" issued by the Council of ICAI. The major component of deferred tax assets and deferred tax liabilities as at 31st March 2016 subject to the consideration of prudency 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 pobable that there will be

an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes as given below:

Particulars	2015-16	2014-15
Sales Tax	0.00	0.00
Income Tax	226220.00	17133470.00
Excise Duty	102000.00	102000.00
Service Tax	3855348 00	3855348 00





## Notes on Financial Statement for the year ended 31st MARCH, 2016

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

Particulars	2015-16		2014-15	
	Amount in `	Percentage	Amount in `	Percentage
Raw Material - Imported	0.00	0.00%	0.00	0.00%
Raw Material - Indigenous	1562906546.00	100.00%	2074825126.00	100.00%
Spares & Consumables - Imported	0.00	0.00%	0.00	0.00%
Spares & Consumables- Indigenous	25565220.00	100.00%	23946090.00	100.00%
	2015-16	2014-15		
34 CIF Value of Import are as under :-	NIL	NIL		
	2015-16	2014-15		
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 whereever 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

Place:- Bhiwadi Date:- 30th May 2016 (Naresh Chand) Chairman (DIN: 00004500)

(Harun Rashid Ansari) Company Secretary (ACS 11147)



ATTENDANCE SLIP

	, ,	T LIAD/WOL OLI	
Please fi	ll this Attendance Slip and hand it over at the entrance o	of the Meeting Hall	
		Folio No No. of Shares	
Name ar	nd Address of the Shareholder		
	record my presence at the 23rd Annual General Meet 6, Phase-III, RIICO Industrial Area, Bhiwadi, Distt. Alv		e 28th September, 2016 at 11.30 A.M.
		Signatur	re of Shareholder / Proxy present
*Applica 1. 2. 3.	able for investors holding shares in electronic form Please handover the attendance slip at the entrance of This attendance is valid only in case shares are held of As per Section 118(10) of the Companies Act, 2013 Company Secretaries of India "No gifts, gift coupons meeting"	of the meeting venue. In the date of meeting read with Secretarial Standards for Gene	ral Meeting issued by The Institute of onembers at or in connection with the
	ASHIAN	IA ISPAT LIMITED	
		companies Act, 2013 and rule 19(3) of the Cand Administration) Rules, 2014]	Companies
	F	orm No. MGT-11 Proxy form	
Name o	27107RJ1992PLC006611 of the company: ASHIANA ISPAT LIMITED ered office: A-1116, Phase-III, RIICO Industrial	•	(Rajasthan)
Name	e of the member (s):		
Regis	tered address:		
E-ma	il ld:		
Folio	No/ Client Id:		
DP ID	):		
I/We, b	eing the member (s) holding shares	of the above named company, hereb	y appoint
1.	Name:		
	Address: E-mail ID:	Signature:	or failing him/her
2.	Name: Address; E-mail ID:	Signature:	or failing him/her
the com	our proxy to attend and vote (on a poll) for i pany, to be held on Wednesday, the 28 <sup>th</sup> day of S -301019, Alwar- Rajasthan and at any adjournme	eptember, 2016 at 11.30 A.M. at A-1116	6, Phase-III, RIICO Industrial Area,
<ol> <li>A</li> <li>A</li> <li>A</li> <li>A</li> </ol>	ry Business: doption of Financial Statements as at 31st Marc ppointment of Director retiring by rotation. ppointment of Auditors.	h, 2016.	
-	I Business:		
	oppointment of Mr. Puneet Jain as Managing Dire		
	opointment of Mr. Suresh Chand as Director of the crease in Authorised Share Capital.	ne Company	
	ternation in the capital clause of Memorandum c	f Association	
	doption of new Memorandum of Association.	7 Addolation.	
	option of new Articles of Association.		
	this day of 2016		· Affix a · · Re.1/- :
-	re of shareholder:		: Revenue :
Signati	re of Proxy holder(s):	<del></del>	Stamp
2.511410			

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.

# BOOK POST (Printed Material)

## ASHIANA ISPAT LIMITED

Regd. Office & Works: A-1116 RIICO Industrial Area, Phase-III Bhiwadi-301019 Distt. Alwar (Rajasthan) Phone: 01493-520100 EAPBX

Fax: 01493-520126 www.ashianaispat.in