



ASHIANA ISPAT LIMITED

(AN ISO 9001-2013 COMPANY)



22nd Annual Report

2013-2014

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Harun Rashid Ansari

REGISTERED OFFICE & WORK :

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

CORPORATE OFFICE :

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

AUDITORS :

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

SECRETARIAL AUDITORS :

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

SHARE TRANSFER AGENT :

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

BANKERS :

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

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MANAGING DIRECTOR'S STATEMENT



Naresh Chand Jain, Managing Director

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

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

Company's Performance

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

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

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

Opportunity:

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

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

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

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

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

Our people

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

Acknowledgment:

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

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

(Naresh Chand)
Managing Director

NOTICE TO MEMBERS

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Tara Chand Kansal (DIN : 00747023), Director of the Company be

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

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

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

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

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

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

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

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

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

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

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

a) Medical Reimbursement

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

b) Leave Travel Concession

/Allowance

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

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

RESOLVED FURTHER THAT abovementioned remuneration specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may be made hereafter by the Central Government or as may be agreed to between the Board of Directors and Mr. Sanjay Kumar Jain.

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

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

By Order of the Board
For ASHIANA ISPAT LIMITED

Place: Bhiwadi, Alwar
Date: 30.05.2014

Sd/-
(Naresh Chand)
Managing Director

IMPORTANT NOTES:

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

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

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

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

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

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

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

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

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

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

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

ITEM NO. 8

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

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

Mr. Sanjay Kumar Jain satisfy all the conditions as laid down in Section 196(3) of the Act and also provided in Schedule V, Part I of the Act. He is also not disqualified from being appointed as Director under Section 164 of the Act.

Your Directors recommend to approve the appointment of Mr. Sanjay Kumar Jain Whole time Director of the Company.

None of the other Directors/ KMP/ their relatives are in any way concerned or interested in any manner in the said resolution.

Mr. Sanjay Kumar Jain and his relatives are deemed to be interested in the resolution set out in Item No. 8, to the extent of their shareholding interest in the Company.

None of the other Directors/ KMP/ their relatives are in any way concerned or interested in any manner in the said resolution.

❖ ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT:-

★ Mr. T.C. Kansal

Mr. T. C. Kansal is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement.

He joined the Board of Directors of your Company in June 2004. Mr. T.C. Kansal, holds a Master's Degree in Commerce. Mr. T.C. Kansal has been proactively involved in Iron & Steel Business in various capacities like Entrepreneur, Consultant and traders. Apart from his experience in the field of Corporate Laws, he has been actively associated with various Company for over Four decades like Barnala Sariya, Jai Bharat Saria, Kamdhenu Sariya etc..

He is the Chairman of the Audit Committee and member of the Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. T.C. Kansal being eligible and offering

himself for appointment, is proposed to be appointed as an Independent Director of your Company for 5 (Five) consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing Mr. T.C. Kansal as a candidate for the office of Director of the Company.

The Company has also received declaration from Mr. T.C. Kansal that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company after reviewing the declaration submitted by Mr. T.C. Kansal, are of the opinion that Mr. T.C Kansal meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. T.C. Kansal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T. C. Kansal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. T.C. Kansal as an Independent Director, for the approval by the members of the Company.

Mr. T.C. Kansal is also a Director in M/s Ashiana Fincap Pvt. Ltd. He does not hold by himself or

for any other person on a beneficial basis, any shares in the Company.

Except Mr. T.C. Kansal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

★ **Mr. Ram Kumar Garg**

Mr. Ram Kumar Garg is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in March 2007.

Mr. Ram Kumar Garg, holds a Bachelors Degree in Engineering and served the Government Department in various capacities. After retirement he is doing business and also serving our Company as Independent Director.

The Company has also received declaration from Mr. Ram Kumar Garg that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company after reviewing the declaration submitted by Mr. Ram Kumar Garg, are of the opinion that Mr. Ram Kumar Garg meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for his appointment as an Independent Director of the Company and is independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ram Kumar Garg being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of your Company for 5 (Five) consecutive years for a

term upto the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing Mr. Ram Kumar Garg as a candidate for the office of Director of the Company.

Copy of the draft letter for appointment of Mr. Ram Kumar Garg as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is necessary to continue to avail services of Mr. Ram Kumar Garg as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ram Kumar Garg as an Independent Director, for the approval by the members of the Company.

Mr. Ram Kumar Garg is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Ram Kumar Garg, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

★ **Mr. Rajesh Kumar Pal**

Mr. Rajesh Kumar Pal began his career as a IT Trainee with a small business concern in 1997. He holds diploma in Computer Science. He grew through diverse functions and businesses including a role as a IT Manager. He joined the Board of Directors of your Company in June

2004. His area of specialization includes utilization of IT skills in audit, accountancy and synchronizing the management Information System contemporary to the latest technology.

He is the member of the Audit Committee and a Member of the Nomination and Remuneration Committee.

Mr. Pal is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajesh Kumar Pal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of your Company for 5 (Five) consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing Mr. Rajesh Kumar Pal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajesh Kumar Pal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rajesh Kumar Pal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Rajesh Kumar Pal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

★ **Mr. R. P. Bansal**

He has been proactively involved in Iron & Steel Business in various capacity from a very young stage. He is a Business Advisor and Management Consultant. His areas of expertise cover Business development, Strategic Planning, Management and Technology Institutions of learning, and Corporate Governance.

Mr. R.P. Bansal is also a Director in M/s Mag.T Exim Ltd. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bansal being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Bansal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Bansal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bansal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

He is member of Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee.

Except Mr. R.P. Bansal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise,

in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Owing to their competence and skilled expertise, Company is proposing to re-appoint them as Independent Directors for one term of 5(five) years w.e.f 30.09.2014 upto 30.09.2019.

They do not hold any equity share in the Company.

★ **Mr. Sanjay Kumar Jain (DIN: 01199143)**

Mr. Sanjay Kumar Jain is a Graduate having experience at various departments like manufacturing, marketing, accounts, maintenance, banking liaison with the Government and other agencies.

As a young Leader, he sets the vision and provides strategic direction and leadership for the growth.

The Company stands to benefit significantly from his entrepreneur abilities and profound knowledge of new business trends and ideas to Company's unprecedented growth.

Educational Qualifications	Bachelor of Arts
Number of Shares held in the Equity Capital of the Company	222500
Relationship with other Directors	Brother of Mr. Neeraj Kumar Jain, Whole Time Director Brother-in law of Mr. Naresh Chand, MD Maternal Uncle of Mr. Puneet Jain, Whole Time Director
Directorship in other Companies	M/s. Kamdhenu Steels & Alloys Limited M/s Arihant Non Ferrous Metals Private Limited M/s IDreams Impex Private Limited M/s Lohman Manufacturing Private Limited

Mr. Sanjay Kumar Jain has been on the Board since May 1997. His Contribution to the company has been invaluable. The Company has been benefitting significantly from his experience and vision.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By Order of the Board
For ASHIANA ISPAT LIMITED

Place: Bhiwadi

Sd/-

(Naresh Chand)

Dated: 30.05.2014

Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Second Annual Report of your Company along with the Audited Accounts for the financial year-ended 31st March, 2014.

Financial results:		In lacs	
Sl. No.	Particulars	2013-2014	2012-2013
1	Gross Sale	29699.68	30194.51
2	Profit before Depreciation interest and Tax	1047.08	773.47
3	Interest	605.45	621.92
4	Depreciation	157.00	139.41
5	Profit/ (Loss) for the year before tax	284.63	12.14
6	Balance (Cr.) brought forward from the previous year	1421.43	1410.91
7	Balance (Cr.) carried forward to the Balance Sheet	1641.16	1421.43

OPERATIONS

During the year under review, your Company has recorded revenue of Rs. 29699.68 Lacs thereby showing a decrease by 1.64%. Despite of the decrease in revenues, PBT and PAT registered a significant growth and remain at Rs. 284.63 Lacs and Rs. 219.73 Lacs respectively.

The year 2013-14 was a challenging year for steel industry because of uncertain economic environment at domestic as well as global level. Despite these constraints, the company performed reasonably well. Profitability of the Company showed a robust growth mainly because of the smooth functioning of the Company which can be seen in the overall cut-off in the expenditures.

While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilisers.

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.

Responsibility Statement:

The Directors confirm that:

- ? In the preparation of the accounts, the applicable accounting standards have been followed and that no material departures have been made from the same,
- ? They 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 31st March, 2014 and of the profits of the Company for that period.
- ? They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- ? They have prepared the annual accounts on going concern basis.

CAPITAL STRUCTURE:

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

FIXED DEPOSITS:

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

DIRECTORS

Retirement by Rotation

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

Mr. Neeraj Kumar Jain has a rich experience of 27 years in steel industry. His presence on the Board is immense beneficial for the company in long run. His association with the Company helped it to make a brand name of the Company in the market.

Reappointment of Mr. Sanjay Kumar Jain as Whole Time Director:

Mr. Sanjay Kumar Jain has been on the Board since May 1997. His Contribution to the company has been invaluable. The Company has been benefitting significantly from his experience and vision.

Nomination and Remuneration committee has recommended his reappointment for a further period of Five years on such terms and conditions as given in the Notice of the ensuing Annual General Meeting of the company.

Appointment of Independent Directors:

In accordance with the provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the appointment of Mr. Ram Kumar Garg, Mr. T.C. Kansal, Mr. Rajinder Prasad Bansal and Mr. Rajesh Kumar Pal in the ensuing Annual General Meeting as Independent Directors for 5 consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.

The Company has received Notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. Ram Kumar Garg, Mr. T.C. Kansal, Mr. Rajinder Prasad Bansal and Mr. Rajesh Kumar Pal as a candidate for the office of Independent Director at the ensuing Annual General Meeting.

The Company has also received the requisite disclosures/declarations from Mr. Ram Kumar

Garg, Mr. T.C. Kansal, Mr. Rajinder Prasad Bansal and Mr. Rajesh Kumar Pal under Section 149 and other applicable provisions of the Companies Act, 2013.

Profile of all these Directors has been given as in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

AUDITORS

M/s. S. Singhal & Company, Chartered Accountants, Bhiwadi 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, subject to ratification of the appointment by the members at every AGM held after the ensuing AGM.

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

COST AUDITOR

The Company has appointed M/s Sanjay Garg & Co., Cost Accountants as cost auditors of the Company for the financial year 2014-15.

DEPOSITORY SYSTEM

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

Ashiana continues to work towards implementation of strategies to mitigate the climate change by adopting energy efficient methods.

The energy consumption of Manufacturing units are monitored periodically and corrective steps are taken immediately to utilize the energy in the most optimal manner.

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

PARTICULARS OF EMPLOYEES

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

CORPORATE SOCIAL RESPONSIBILITY:

Over the years, we have been striving to achieve a fine balance of economic, social and environmental imperatives. Our Corporate social responsibility is not just related to philanthropic practices but also extends to overall sustainable and holistic development. Your Company has been associated with Mahaveer International, a premier social organization with an aim to make the Capital Delhi free from Cataract.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

DEMATERIALIZATION OF SHARES:

39.79 % of the company's paid up Equity Share Capital is in dematerialized form as on March 31st, 2014 and balance 60.21 % is in physical form.

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

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2014-2015 to BSE, where the Company's Shares are listed.

THE CORPORATE GOVERNANCE CODE

The Company endeavors to maintain the best policies of Corporate Governance and also adhere to the corporate governance requirements set out by SEBI.

A separate section on corporate Governance Report and requisite certificate from the Auditors of the company conforming compliance with the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchange is attached to the Annual Report.

In terms of sub-clause (v) of the Clause 49 of the listing Agreement a certificate of the CEO, inter alia, complying the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said clause, is also enclosed as a part of the report.

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.

CEO CERTIFICATION:

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

1. We have reviewed financial statements and the cash flow statement for the year 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 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 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 have brought in notice to the auditors and the Audit Committee all the material transaction, which have substantial effect on the financial health of the company

ACKNOWLEDGEMENT:

Your Directors wishes 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 the performance and the Company's inherent strength. The Directors are also thankful to the Bankers State Bank of Bikaner & Jaipur and Shareholders' appreciation of the managements' efforts at the General Meetings of the Company which helps to strive for better performance year after year.

For and on behalf of the Board

Place: Bhiwadi

For Ashiana Ispat Limited

Date: 30.05.2014

Sd/-
(Naresh Chand)
Managing Director

Sd/-
(Neeraj Kumar Jain)
Whole Time Director

ANNEXURE-A**INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW**

POWER AND FUEL CONSUMPTION	As at 31.03.2014	As at 31.03.2013
ELECTRICITY		
Purchase Unit (KWH)	29900499	27388527
CTD Section	12392994	11748551
Ingot Section	17507505	15639976
Total Amount	164331388	156926804
Consumption (Unit/MT)		
CTD Section	174	174
Ingot Section	756	751
Own Generation	NIL	NIL
Through Diesel Generation	NIL	NIL
Through Steam Turbine	NIL	NIL
Coal		
Purchased (Unit-MT)	8685.075	7926.290
Total Amount (in Rs.)	72008580	68344095
Consumption (Unit/MT)	9023.24	7666.09
Furnace Oil		
Purchased (Unit-KL)	0.000	0.000
Total Amount (in Rs.)	0	0
Consumption (Unit/KL)	0.000	21.050

CORPORATE GOVERNANCE

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

Corporate Governance encompassed such systems of management which helps in promoting the core principles of corporate fairness, transparency and accountability in all transactions. The prime objective is to create a balance between stakeholder's aspirations with societal expectations. Ashiana not only adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement with the Stock Exchange(s), but is also committed to sound corporate governance principles and practices for the overall benefit of its stakeholders, employees and also for the society as a whole.

Over the years, Ashiana has strived to strengthen its corporate governance practices, which defines the way in which the business is conducted and value is generated.

Management of Ashiana believes that good corporate governance is not a destination, but is a journey in itself to constantly strive for the sustainable development and value creation. Our Corporate governance practices are illustrated as follows:

2. Board of Directors:

The Directors of the Company are appointed by the shareholders at the Annual General Meetings. The Board has established various committees for effective discharge of its responsibilities. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The Company has defined guidelines and framework for the meetings of the Board.

The current law in India mandates the retirement of two-third of the executive board members (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive Directors are appointed for a maximum tenure of five years, but are eligible for re-appointment upon completion of their term.

(i) The Company has a balance mix of Executive and Non- Executive Directors. Composition and Category of Directors as of March 31, 2014 is as follows:

Board of Directors

The Board of Directors consists of 8 Directors.

Composition and category of Director is as follows:

Executive Directors	:	Shri Naresh Chand Shri Neeraj Kumar Jain Shri Puneet Jain Shri Sanjay Kumar Jain
Non-executive and Independent Directors		Shri Ram Kumar Garg Shri T.C. Kansal Shri Rajinder Prashad Bansal Shri Rajesh Kumar Pal

Every Independent Director, at the first meeting of the Board where he participates as such director and thereafter at the first board meeting of every financial year, shall give a declaration of his independence as provided under law.

(ii) Composition, 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 the clause 49 of the listing agreement)

Director	No. of Board meetings attended	Attendance at previous AGM on 30.09.2013	No. of outside Directorship held	No. of membership/ Chairmanship in Committees	Executive/ Non-executive/ Independent
1. Mr. Naresh Chand	7	Yes	4	1	Executive
2. Mr. Neeraj Kumar Jain	7	Yes	8	0	Executive
3. Mr. Puneet Jain	7	Yes	5	0	Executive
4. Mr. Sanjay Kumar Jain	7	Yes	4	0	Executive
5. Mr. Ram Kumar Garg	2	Yes	0	0	Non-executive and independent
6. Mr. T. C. Kansal	7	Yes	1	3	Non-executive and independent
7. Mr. Rajinder Prashad Bansal	7	Yes	1	3	Non-executive and independent
8. Mr. Rajesh Kumar Pal	4	Yes	0	2	Non-executive and independent

3. Number of Board meetings held and the date on which held

Minimum four Board meetings are required to be held once in every quarter under the law. Additional Board meetings are convened as per the exigencies/ urgencies of business situations.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM of the shareholders.

Seven Board meeting were held during the year ended March 31, 2014, which were held on as follows; May 31, 2013, June 20, 2013, August 13, 2013, October 11, 2013, November 13, 2013, February 14, 2014, March 6, 2014.

The Board has unrestricted access to the company related information and the items/ matters which are generally placed before the Board and 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
- ★ Significant changes in accounting policies and internal controls
- ★ Statement of significant related party transactions

The Chairman of the Board and Company Secretary together finalize the agenda items for Board meetings.

Board Evaluation:

The Board of Directors has adopted policy on Board Evaluation. The policy provides for evaluation of Board, the Committees of the Board and individual Directors, including the

Chairman of the Board. As per the policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual Basis and the same will be facilitated by independent consultants once in three years.

4. **Audit Committee:**

The Audit committee comprises of 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. The Committee's constitution and terms of reference are in consonance with the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement. All the members of the Committee have relevant working experience in financial matters.

Function of Audit Committee:

The Audit Committee of the Company's is entrusted with the responsibility to supervise the company's internal controls and financial process including:

- ★ overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- ★ recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services
- ★ reviewing with management the quarterly and annual financial results before submission to the Board;
- ★ reviewing the adequacy of internal control systems with the management , external auditors and internal auditor
- ★ discussion with external and internal auditors, before the audit commences, the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any.
- ★ reviewing the appointment and removal of cost auditors.

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

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

5. **Nomination & Remuneration Committee:**

The Board has constituted the Nomination Committee consisting of Non-executive Independent Directors, The purpose of the committee is to oversee the nomination process for top-level management and specifically to identify, review individuals for serving as executive directors and independent directors.

Remuneration committee consists of Non-executive Independent Directors viz. Sh. T. C Kansal, Sh. R.P. Bansal and Sh. Rajesh Kumar Pal. The committee recommends/ reviews to the Board a policy relating to the remuneration for the directors, key managerial personnel.

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

Sh. Naresh Chand	Managing Director	Rs. 1,25,000/- p.m
Sh. Neeraj Kumar Jain	Whole-time Director	Rs. 1,20,000/-p.m
Sh. Puneet Jain	Whole-time Director	Rs. 1,20,000/-p.m
Sh. Sanjay Kumar Jain	Whole-time Director	Rs. 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.

6. Stakeholders Relationship committee:

Stakeholders relationship committee is headed by Sh. Naresh Chand, Managing Director of the Company as chairman and comprises two other Directors Sh. T.C. Kansal and Sh. R.P. Bansal as members. Shri Md. Harun Rashid Ansari, Company secretary has been designated as compliance officer. The Committee is formed consequent to the dissolution of the Shareholder's Grievance Committee. The committee observes and reviews the shareholders grievances and ensures to provide prompt and satisfactory services to the shareholders. The committee generally met four times in a year in each quarter.

The Committee's composition and terms of reference are in consonance with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement.

All complaints received from shareholders during the year have been readdressed. No shareholders complaints were pending as on 31.03.2014.

As per the guidelines M/s. Link Intime India Private Limited (old name- M/s. Intime Spectrum Registry Limited), 44,Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, New Delhi-110028, Ph-011-41410592-94, has been working as common share transfer agent for all the work related to both physical and electronic mode of equity shares.

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.

Internal Controls and Risk management:

Company has established Internal Audit corporate risk assessment and mitigation. The Internal Audit covers all the sales offices, warehouses and centrally controlled business and functions in superintendence of Audit Committee.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of risk and delivery of mitigating action plans.

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

In compliance to Clause 49 of the Listing agreement, the board has laid down a Code of Conduct for all Board Members and senior management Team. The Code implies that Board of Directors effectively fulfils their fiduciary obligations towards the stakeholders and that the Board shall act on the principles of honesty, integrity, transparency and impartiality for effectively discharging their duty of protection of interests of all stakeholders.

All Board members and senior management team have affirmed compliance of code of conduct as on 31.03.2014 and a declaration to that effect signed by Managing Director is attached and forms part of this report.

8. General Body Meetings:

The details of the last three Annual General meeting:

Year	Location	Date	Day	Time
2010-11	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	30.09.2011	Friday	11.30 A.M

2011-12	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	29.09.2012	Saturday	11.30 A.M
2012-13	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	30.09.2013	Monday	11.30 A.M

No resolution was required to be put through postal ballot.

9. 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, 2014 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.

10. 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 Company also maintains its official website www.ashianaipat.in wherein it provides all the material information related to the Company and its principal activities.

Moreover, the quarterly, Half-yearly and Annual Results are generally published by the Company in all national daily i.e. Jansatta (Hindi Edition), The Financial Express (All India Edition). They are also sent to the Stock Exchanges immediately after they are approved by the Board.

The quarterly financial results during the financial year 2013-14 were published as follows:

Quarter	Date of publication	Name of Newspapers
Quarter Ended 31.03.13	June 2, 2013	The Financial Express Jansatta
Quarter Ended 30.06.13	August 15, 2013	The Financial Express Jansatta
Quarter Ended 30.09.13	November 14, 2013	The Financial Express Jansatta
Quarter Ended 31.12.13	February 15, 2014	The Financial Express Jansatta

Official news releases and notices etc. are sent to the Stock Exchange at Mumbai where shares of the company are listed.

Annual Report containing inter-alia Audited Annual Accounts, Director's Report, Auditor's

Report and Management Discussion and Analysis Report is circulated amongst the shareholders of the Company and others entitled thereto.

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.

11. 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 : 30th September 2014 at 11.30 A.M.

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

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

Annual General Meeting	:	30.09.2014, 11.30 A.M
Results for the quarter ending 30.06.2014	:	On or before August, 2014
Results for the quarter ending 30.09.2014	:	On or before November, 2014
Results for the quarter ending 31.12.2014	:	On or before February, 2015
Results for the quarter ending 31.03.2015	:	On or before May, 2015

(c) **Book Closure Date** : 25.09.2014 to 30.09.2014

(d) **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 2013-14 and 2014-15.

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

Month F.Y. – 2013-2014	High Price	Low Price
Apr 13	11.75	10.20
May 13	10.05	8.59
Jun 13	-	-
Jul 13	8.17	8.17
Aug 13	-	-
Sep 13	8.57	7.75
Oct 13	8.40	7.80
Nov 13	8.59	7.39
Dec 13	7.40	7.00
Jan 14	7.71	6.90
Feb 14	7.60	6.90
Mar 14	7.94	6.80

(f) Status of dematerialization as on 31.03.2014

Particulars	No. of shares	% of capital
NSDL	1166347	26.12
CDSL	610118	13.67
Total Dematerialized	1776465	39.79
PHYSICAL	2688335	60.21
TOTAL	4464800	100.00

(g) Registrar & Share Transfer Agent and : **Link Intime India Private Ltd.**
 44, Community Centre, 2nd 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 Share Transfer Committee, who will approve the relevant transfers 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.

(h) **Shareholding pattern as on 31.03.2014**

Sl. No.	Category	No. of shares	Percentage
1	Promoters	1592500	35.67
2	Indian Financial Institutions, Banks, Mutual Funds	0	0
3	Foreign Institutional Investors/ NRIs	0	0
4	Others	2872300	64.33
	Total	4464800	100.00

(i) **Distribution on shareholding as on 31.03.2014**

Shares holding of nominal value of Rs.	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
Up to 2500	10344	93.223	1388605	31.101
2501-5000	421	3.794	169965	3.807
5001-10000	180	1.622	151508	3.393
10001-20000	76	0.685	122401	2.741
20001-30000	16	0.144	41116	0.921
30001-40000	7	0.063	25818	0.578
40001-50000	12	0.108	56291	1.261
50001-100000	7	0.063	48513	1.087
100001 & above	33	0.297	2460583	55.111
Total	11096	100.000	4464800	100.000

The above report was adopted by the Board of Directors at their meeting held on 30.05.2014.

Declaration regarding compliance of code of conduct:

I, Naresh Chand, 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 31.03.2014.

Place: Bhiwadi.
 Date: 30.05.2014

Sd/-
 (Naresh Chand)
 Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS:

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 31.03.2014, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions on 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 clause 49 of the Listing Agreement(s) with the stock Exchange have been complied with in all material respect by the Company.

For S.Singal & Company
Chartered Accountants

Place: Bhiwadi

Date:30.05.2014

Sd/-
(Rakesh Gupta)
Partner

MANAGEMENT DISCUSSION AND ANALYSIS

[A] FINANCIAL REVIEW

The global economy began its modest recovery in the FY 2013-14. A combination of persistent inflation, fiscal imbalances and low investments resulted in sluggish domestic demand growth.

Your Company registered a healthy performance during 2013-14. Although revenues have fallen by 1.64%, but profitability margins have shown a considerable improvement. EBDIT stood at Rs. 1047.08 Lacs. EPS for the year was recorded at 5.16 as compared to 0.34 in the previous year. Your Company's performance was driven primarily due to established network of dealer and distributor, better quality & realization value of the products and having prominent market share.

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

India's economy has been plagued by persistent slowdown since 2012. Combinations of domestic and global factors are responsible for the downturn. Global downturn also put its impact on the consumer's spending power making them conscious in their spending behavior.

World Steel Association has forecasted steel demand in India to grow at 5.6% in 2014. Lower domestic demand coupled with a weak rupee resulted in sharp decline of 29.2% in steel imports. The real consumption of steel in India grew only 3.3% in FY13, given the slowdown in the end-user industries. Steel consuming sectors like construction, auto and capital goods continue to underperform. Growth in consumer durables continue to be hammered by the persistent high inflation and high interest costs.

The consistent demand slow down in the end-user industries globally has resulted in an oversupply in the steel industry leading to depressed steel prices. Indian steel producers increased steel prices in August and September 2013, but subdued demand from end-user industries prevented a sustained increase in price.

The near term outlook on the profitability of Indian steel players however has improved, given the soft price trends of key raw materials. A further price hike announced by the industry in January 2014 should also help, provided a weak steel market can absorb such a price hike. Unless demand conditions improve significantly, overall capacity utilization levels and profitability of steel players would remain impacted.

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

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel production in India recorded a growth rate of 4.8 per cent in February 2014 over February 2013. The liberalisation of the industrial policy and other government initiatives has given a definite impetus for entry, participation and growth of the private sector in the steel industry.

India's real consumption of total finished steel grew by 0.6 per cent year-on-year in April-March 2013-14 to 73.93 million tonnes (MT), according to Joint Plant Committee (JPC), Ministry of Steel. Construction sector accounts for around 60 per cent of the country's total steel demand while the automobile industry consumes 15 per cent.

In order to provide thrust on research and development (R&D), the Ministry of Steel is encouraging R&D activities both in public and private steel sectors, by providing financial assistance from Steel Development Fund (SDF).

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. Emerging economies will also continue to be a major driver of demand as these necessitate a huge amount of steel for urbanisation and industrialisation

Despite of opportunity there are some hurdles like adequate supply of skilled labour could pose a big challenge for the steel industry which will need 2.85 lakh more such workers to treble the annual capacity to 300 million tones within 10-12 years. Increased cost of raw materials is also one of the biggest threat for the steel industry. Iron ore poses the first challenge as the situation isn't very healthy. Fast exploration is required with the host of new techniques.

[D] OUTLOOK

Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. 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.

Margins of steel producers would continue to be under pressure given the high cost of steel production and their limited ability to pass on hikes in costs as only a modest improvement in demand is expected in FY15. 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. Competency development of our employees continues to be key area of strategic human resource development for us. 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.

S.Singhal & Co.
Chartered Accountants
Plot No. E-127, Industrial Area
Bhiwadi –301019, District – Alwar (Raj.)

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 LTD (“the Company”) which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the general circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act, 2013 in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and

iii. in the case of the cash flow statement, of the 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act, 2013.
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Bhiwadi
Date: 30th May 2014

For S.Singhal & Co.
Chartered Accountants
(Registration No.-001526C)

(R.K. Gupta)
Partner
Membership No. 073846

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
 - (a) The Company has maintained records of Fixed Assets in statement form only.
 - (b) All the fixed assets have been physically verified by the management at reasonable intervals. We are informed that the management on such verification noticed no material discrepancies.
 - (c) During the year the company has disposed off/discarded old vehicles and old rolling mill rolls which do not affect the going concern status of the company.
2. In respect of its inventories:
 - (a) Physical verification of Inventory has been conducted during the year by the management at reasonable intervals.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company is maintaining proper records of Inventory. As explained to us there were no material discrepancies noticed on physical verification.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The Company has taken Loans from Twenty Four Parties covered in the register maintained under section 301 of the Companies Act 1956. The amount involved in loans taken & credited in all accounts is ` 803.74 Lacs. Opening Balance and Closing Balance of all these accounts are ` 1296.22 Lacs and ` 1677.64 Lacs respectively. The company has not granted loans to Companies, Firm or other parties listed in the register maintained under section 301 of the Companies act, 1956.
 - (b) The rate of interest and other terms and conditions of loans taken by the company are not prima facie prejudicial to the interest of the Company.
 - (c) The Company has unconditional right on repayment of Long Term Unsecured Loans and interest and the short term unsecured loans are repayable on demand.
 - (d) There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of audit, we have not observed any major weakness in internal controls.
5. (a) In our opinion and according to the information and explanation given to us the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act 1956 have been so entered.
 - (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. The Company did not have any formal internal audit system. However internal check and control are maintained by the management.

8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that Prima facie the prescribed cost records are maintained for the product of the Company. We have. However not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, and Income Tax, Sales tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities except delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
 - The disputed statutory dues aggregating to ` 949.66 Lacs their against Rs. 674.33 Lacs has been deposited under protest that have on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Period to which the amount relates	Forum where the dispute is pending	Amount. (In Lacs)
1	Central Excise Act, 1944 Excise Duty	FY 2001-02	High Court Jaipur	` 1.02
2	Finance Act 1994 Service tax Refund	FY 2008-09	CESTAT, Delhi	` 38.55
3	Haryana VAT Act VAT tax	FY 2003-04, 04-05, 06-07,	Cases Remand back with DETC Mewat, Haryana	` 15.46
4	Income Tax Act, 1961 Income tax	AY2003-04 - AY 2009-10	ITAT, Jaipur, Comm., Appeals Jaipur	` 570.14
5	Income Tax Act, 1961 Income tax	AY 2004-05 - AY 2011-12	CIT Appeals Jaipur	` 324.49

10. The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual benefits fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Amendment Order 2004 is not applicable to the Company.
14. The Company has not carried out of any transactions of trading in securities during the year.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. During the year company has taken vehicle term loan which has been utilized for respective purpose.



17. According to the information and explanations given and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have been utilized for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Hence the question of creating securities in respect of debentures issued does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For S. Singhal & Co.
Chartered Accountants
(Firm Registration No. 001526C)

(R.K. Gupta)
Partner
Membership No. 073846

PLACE: BHIWADI
DATE: 30th May 2014

BALANCE SHEET AS AT 31.03.2014

Particulars	Note	Amount in ` As at 31.03.2014	Amount in ` As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	42,611,500	42,611,500
(b) Reserves and Surplus	2	164,116,279	142,143,140
		206,727,779	184,754,640
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	169,034,290	129,474,638
(b) Deferred Tax Liabilities (Net)	4	10,761,154	11,580,817
(c) Other Long Term Liabilities	5	893,936	564,067
(d) Long Term Provisions	6	1,019,832	948,373
		181,709,212	142,567,895
(3) Current Liabilities			
(a) Short-Term Borrowings	7	255,639,845	300,333,035
(b) Trade Payables	8	247,796,732	384,862,725
(c) Other Current Liabilities	9	145,765,736	115,435,955
(d) Short-Term Provisions	10	14,945,994	8,734,935
		664,148,307	809,366,650
Total Equity & Liabilities		1,052,585,297	1,136,689,185
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Gross Block		204,722,729	197,382,356
(ii) Depreciation		104,886,840	92,551,297
(iii) Net Block		99,835,889	104,831,059
(b) Non-current investments	12	8,802,250	13,302,250
(c) Long term loans and advances	13	10,799,247	17,243,892
(d) Other non-current assets	14	67,753,101	58,999,378
		187,190,487	194,376,579
(2) Current Assets			
(a) Inventories	15	180,154,431	105,498,993
(b) Trade receivables	16	505,072,974	671,437,511
(c) Cash and cash equivalents	17	29,177,382	31,780,207
(d) Short-term loans and advances	18	117,331,396	92,150,304
(e) Other current assets	19	33,658,628	41,445,591
		865,394,810	942,312,606
Total Assets		1,052,585,297	1,136,689,185

Significant Accounting Policies
Notes on Financial Statements

1 to 36

As per Our Report of even date
For S. SINGHAL & CO.
Chartered Accountants
Firm Registration No.: 001526C

(R.K. Gupta)
Partner
Membership.No .073846

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Whole Time Director

Place : Bhiwadi
Date:- 30th May 2014

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03. 2014

Particulars	Note	Amount in As at 31.03.2014	Amount in As at 31.03.2013
INCOME			
Gross Revenue from operations	20	2,969,968,058	3,019,450,991
Less Excise Duty		303,494,855	310,232,440
Net Revenue from operations		2,666,473,203	2,709,218,551
Other Income	21	2,030,140	19,325,713
Total Revenue		2,668,503,343	2,728,544,264
EXPENDITURE:			
Cost of materials consumed	22	2,052,517,073	2,147,632,965
Purchase of Stock-in-Trade		149,425,980	131,692,954
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(12,136,662)	27,609,908
Employee Benefit Expense	24	19,388,497	18,714,786
Finance Costs	25	61,771,146	63,884,462
Depreciation and Amortisation		15,700,529	13,940,924
Other Expenses	26	353,373,994	323,854,127
Total Expenses		2,640,040,558	2,727,330,125
Profit before Tax		28462785	1,214,139
Tax expense:			
(1) Current tax		7,309,310	-
(2) Deferred tax		(819663)	(235954)
Profit for the year		21973139	1450093
Earning per equity share of face value of Rs 10 each:			
Basic and Diluted		5.16	0.34
Significant Accounting Policies			
Notes on Financial Statements	1 to 36		

As per Our Report of even date
For S. SINGHAL & CO.
Chartered Accountants
Firm Registration No.: 001526C

(R.K. Gupta)
Partner
Membership.No .073846

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Whole Time Director

Place : Bhiwadi
Date:- 30th May 2014

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars	2013-14	2012-13
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	28,462,785	1,214,139
Adjustments For :-		
Depreciation	15,700,529	13,940,924
Interest Paid	61,771,146	63,884,462
Interest income	(1,119,253)	
Dividend received		
Profit on sale of Investment		(4,657,500)
Loss on Sale of Vehicle	5,462	322,169
Operating Profit Before Working Capital Changes	104,820,669	74,704,194
Increase (Decrease) in working Capital		
Trade & Other Receivables	146,661,330	(201,387,479)
Inventories	(74,655,438)	29,056,346
Trade Payables & Other Liabilities and provisions	(107,433,135)	152,225,786
Cash from Operation	69,393,427	54,598,847
Cash Flow Before Extraordinary Items	69,393,427	54,598,848
Income Tax Paid for earlier year	-	(397,685)
Net Cash From Operating Activities	69,393,427	54,201,163
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(10,715,822)	(8,573,367)
Sale of Fixed Assets	5,000	2,222,000
Interest received	1,119,253	
Sale of investment	-	18,457,500
Refund of application money	4500000	
Application money paid	-	(4,500,000)
Cash Used in Investing Activities	(5,091,569)	7,606,133
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(61,771,146)	(63,884,462)
Increase in share capital (Call in Arrear received)	-	-
Proceeds From Long/ Short Term Borrowings	(5,133,538)	17,393,702
Cash Used/ Generated in Financing Activities	(66,904,684)	(46,490,760)
Net Increase/ (Decrease) In Cash and Cash Equivalents	(2,602,826)	15,316,537
Cash and Cash Equivalents (Opening Balances)	31,780,207	16,463,670
Cash and Cash Equivalents (Closing Balances)	29,177,382	31,780,207
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	7,943,806	8,164,508
balance with banks:		
-Current Accounts	1,233,576	3,607,810
-Fixed Deposits	20,000,000	20,007,889
	29,177,382	31,780,207

As per Our Report of even date
For S. SINGHAL & CO.
Chartered Accountants
Firm Registration No.: 001526C

(R.K. Gupta)
Partner
Membership.No .073846

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Whole Time Director

Place : Bhiwadi
Date:- 30th May 2014

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

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 straight line method on prorata & actual shift working basis in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

8 Sale/ Revenue Recognition

(a) Sales are net of Sales tax and sales returns. Revenue from sales is recognized when risk and reward of ownership are transferred to the customers.

(b) Interest income is recognized on time proportion basis.

(c) Other Revenue Income are recognised as and when accrued to the Company.

9 Impairment of Assets

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

As per Our Report of even date

For S. SINGHAL & CO.

Chartered Accountants

Firm Registration No.: 001526C

(R.K. Gupta)

Partner

Membership.No .073846

(Naresh Chand)

Managing Director

(Neeraj Kumar Jain)

Whole Time Director

Place : Bhiwadi

Date:- 30th May 2014

(Puneet Jain)

Whole Time Director

(Harun Rashid Ansari)

Company Secretary

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, 2014 reported upon by us on **30th May 2014**. 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:- 30th May 2014

Notes on Financial Statement for the year ended 31st MARCH, 2014

Note : 1 Share Capital

Sr. No	Particulars	Amount in ₹	
		As at 31.03.2014	As at 31.03.2013
1.1	AUTHORIZED CAPITAL		
	50,00,000 Equity Shares of Rs. 10/- each.	50,000,000	50,000,000
1.2	ISSUED		
	44,64,800 Equity shares of Rs. 10/- each fully paid	44,648,000	44,648,000
		44,648,000	44,648,000
1.3	SUBSCRIBED & PAID UP CAPITAL		
	44,64,800 Equity shares of Rs. 10/- each	44,648,000	44,648,000
	Less: Calls in Arrear - from others	2,036,500	2,036,500
	Total	42,611,500	42,611,500

1.4 The Details of Shareholders holding more than 5% shares:

Name of shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% held	No. of Shares	% held
Puneet Jain	224600	5.03	224600	5.03
Kamdhenu Steel & Alloys Ltd	330735	7.41	280735	6.29

1.5 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4464800	4464800	4464800	4464800
Addition during the year	NIL	NIL	NIL	NIL
Equity Shares at the end of the year	4464800	4464800	4464800	4464800

Note : 2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	142,143,140	141,090,732
	Add: Profit for the period	21973139	1,450,093
	Less: Income tax of earlier years	-	397,685
	Total	164,116,279	142,143,140

Note : 3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Vehicle Loans Secured against Hypothecation of Vehicles:		
	HDFC Bank Car Loan	2,553,097	-
2	Unsecured Loan from Related Parties	166,481,193	129,474,638

Note : 4 Deferred Tax liabilities(net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	Deferred Tax Liabilities		
	On Diff. in WDV as per IT Act and as per Companies Act	11,111,267	11896318
	Deferred Tax Assets on:-		
	Gratuity(Unfunded)	350,113	315501
	Net Deferred Tax Liabilities	10,761,154	11,580,817

Note : 5 Other Long Term Liabilities

Sr.No.	Particulars	Amount in ₹	
		As at 31.03.2014	As at 31.03.2013
1	Sundry Creditors -Capital goods	893,936	564,067
	Total	893,936	564,067

Note : 6 Long Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Gratuity Payable(Unfunded)	1,019,832	948,373
	Total	1,019,832	948,373

Note :7 Short Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
a	Secured Loan from Bank		
	Working Capital Loan	254,356,933	300,185,303
	From State Bank of Bikaner & Jaipur , Delhi secured by first charge on the entire current assets of the company, including raw material, store & spares, stock in process, finished goods, book-debts and other current assets etc.		
	Additionally secured by the followings :-		
	a) Extension of first exclusive charge on Company' s Factory Land and Building at A-1116 &-A-1119/H-21,22 to 24 & 25, Phase III, Bhiwadi, Alwar, Rajasthan (Pertaining to furnace unit).		
	b) Extension of First Charge on Company's entire fixed assets other than land & building covered in (a)		
	c) Personal Guarrantee of two promoters directors		
b	Unsecured Loans		
	From Related Parties	1,282,912	147,732
	From Others	-	-
	Total	255,639,845	300,333,035

Note : 8 Trade Payables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Sundry Creditors	247,796,732	384,862,725
	Total	247,796,732	384,862,725

Note : 9 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Current Maturities of Vehicle Term Loans secured against the Vehicles:		
	Tata Capital Ltd. Car Loan	-	51,437
	BMW Financial Services Pvt. Ltd.	-	2,136,853
	HDFC Bank Car Loan	676,749	184,891
2	Statutory Dues Payable		
	Excise and Service Tax payable	21,607	52,929
	TDS Payable	3,481,901	2,865,917
	Vat Payable	10,725,626	15,767,970
3	Employee Benefits Payable		
	Salary Payable	751,041	799,902
	Bonus & Ex-Gratia Payable	488,690	489,582
	ESI Payable	53,029	46,499
	PF Payable	181,854	164,060
4	Advance from customers	129,060,044	92,327,992
5	Expenses Payable	325,195	547,924
	Total	145,765,736	115,435,955

Note :10 Short Term Provisions

Sr. No	Particulars	Amount in ₹	
		As at 31.03.2014	As at 31.03.2013
1	Wealth Tax Provision	166,915	168,233
2	Provision of Excise Duty on Closing Stock	2,911,919	1,394,057
3	Income Tax Provision	7,309,310	-
4	Gratuity Payable	59,265	24,046
5	Telephone Expenses payable	52,416	64,661
6	Power Expenses payable	4,109,806	6,776,191
7	Audit Fee Payable	131,461	129,050
8	ISI Expenses Payable	147,160	145,955
9	Professional Charges Payable	57,742	32,742
	Total	14,945,994	8,734,935

FIXED ASSETS

Note : 11

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2013	Addition	Sale/ Adjustment	As at 31.03.2014	Up to 31.03.2013	For the Year	Dep for Sale/Adjustment	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Leasehold Land	4,982,220	-		4,982,220	-	-	-	-	4,982,220	4,982,220
Building	25,070,431	-		25,070,431	9,415,655	820,481	-	10,236,136	14,834,295	15,654,776
Plant & Machinery	122,763,846	5,741,148	(3,331,523)	125,173,471	66,118,445	10,873,724	(3,331,523)	73,660,646	51,512,825	56,528,901
Electrical Installation	11,070,646	-	-	11,070,646	7,666,034	568,965	-	8,234,999	2,835,647	3,404,612
Laboratory Equipments	758,026	-	-	758,026	399,877	49,953	-	449,830	308,196	358,149
Office Equipments	1,741,272	102,514	-	1,843,786	631,059	84,371	-	715,430	1,128,356	1,110,213
Vehicles	30,237,427	4,831,056	(43,926)	35,024,557	7,638,585	3,282,177	(33,464)	10,887,298	24,137,259	22,598,843
Computers	328,550	12,600	-	341,150	315,374	8,622	-	323,996	17,154	13,176
Furniture & Fixtures	286,206	28,504	-	314,710	230,578	10,615	-	241,194	73,518	55,628
Tubwell	143,732	-	-	143,732	135,691	1,621	-	137,312	6,420	8,041
Total	197,382,356	10,715,822	(3,375,449)	204,722,729	92,551,298	15,700,529	(3,364,987)	104,886,840	99,835,889	104,714,559
Intangible Assets										
Capital Work-in-progress										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	116,500
	-	-	-	-	-	-	-	-	-	-
Grand Total	197,382,356	10,715,822	(3,375,449)	204,722,729	92,551,298	15,700,529	(3,364,987)	104,886,840	99,835,889	104,831,059
Previous Year's Figures	196,004,734	8,573,367	(7,195,745)	197,382,356	83,261,949	13,940,924	(4,651,576)	92,551,297	104,831,059	112,742,785

Note :- The Plant and Machinery i.e. Rolls which have been exhausted and now not in use and which are 100 % Depreciated have been excluded from the Gross Block as well as from the accumulated Depreciation. The amount worked out is Gross Block ₹ 3331523.00 and accumulated Depreciation amount ₹ 3331523.00

Note : 12 Non Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1 Investment in Equity Instrument			
Other Investment, Unquoted			
a	Investment in 2,500 Fully Paid Up Shares of Kamdhenu Imprade Pvt. Ltd @ Rs.10/- Per Share	25,000	25,000
b	Shares of Surya Manufacturing India Ltd., Investment in 585150 Equity shares of Rs. 10 each @ Rs. 5 Premium Per share,	8,777,250	8,777,250
c	Share Application Money paid for shares of Surya Manuf	-	4,500,000
Total		8,802,250	13,302,250

Note : 13 Long Term Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1 Security Deposit			
	Unsecured, Considered Good :	10,799,247	17,243,892
Total		10,799,247	17,243,892

Note : 14 Other Non Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
Others Unsecured, considered good			
1	Advances for Capital goods	320,000	901,380
2	Income Tax Deposit against Demand	62,032,361	50,832,361
3	Service Tax Refund filed with Department	3,855,348	3,855,348
4	Vat Deposited against Demand	1,545,392	3,410,289
Total		67,753,101	58,999,378

Note : 15 Inventories

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Raw Material	134,011,252	66,167,968
2	Work-in-Progress	1,582,370	1,517,961
3	Finished Goods	35,830,388	22,475,516
4	Stock of Traded Goods	1,460,206	1,311,106
5	Stores & Spares	3,614,454	3,934,295
6	Waste and Scrap & Runner Riser	1,459,275	2,890,995
7	Others (Ferro Alloys, Coal)	2,196,485	7,201,152
Total		180,154,431	105,498,993

Note : 16 Trade Recievables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1 Outstanding for more than six months from the date they are due for paymen t			
	Unsecured, Considered Good :	172,931,774	134,083,140
2 Others			
	Unsecured, Considered Good :	332,141,200	537,354,371
Total		505,072,974	671,437,511

Note : 17 Cash & Cash Equivalent

Sr. No	Particulars	Amount in ₹	Amount in ₹
		As at 31.03.2014	As at 31.03.2013
1Cash in Hand			
	Cash Balance	7,943,806	8,164,508
2Bank Balance			
	In Current Accounts	1233576	3,607,810
	Fixed Deposits with Bank	20,000,000	20,007,889
	Total	29,177,382	31,780,207

Note :18 Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
<i>1Advance Recoverable in cash or in kind or for value to be considered good</i>			
	-Related parties	105,154,434	77,822,934
	- Others	1,474,763	3,314,539
2	Balance with Excise & Service Tax Department	3,124,851	1,732,106
3	Advance Income Tax and TDS/TCS	6,142,624	8,227,904
4	FBT Refundable	46,151	46,151
5	Prepaid Expenses	1,388,573	1,006,670
	Total	117,331,396	92,150,304

Note :19 Other Current Assets

Sr No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Balance with Sales Tax Department	12,838,424	3,666,019
2	Advance to Suppliers	11,609,628	36,232,235
3	Interest Receivable on JVVNL Security	987601	1,373,014
4	Insurance Premium Refundable	-	174,323
5	Income Tax Refundable A.Y 2013-14	8,222,975	-
	Total	33,658,628	41,445,591

Note : 20 Revenue from Operations

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Gross Sale of Products	2,899,228,752	2,962,705,874
2	Other Operating Revenue :		
	Profit on Commodities & Currency Derivatives	66,069,402	51,720,293
	Commission on Consignment Sale	4,669,904	5,024,824
	Gross Revenue	2,969,968,058	3,019,450,991
	Less Excise Duty	303,494,855	310,232,440
	Net Revenue from operation	2,666,473,203	2,709,218,551

Note : 21 Other Income

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest Income	1,119,253	1,558,213
2	Dividend Received	-	13,110,000
3	Profit on sale of Investment	-	4,657,500
4	Insurance Claim received	910887.00	-
	Total	2,030,140	19,325,713

Note : 22 Cost of Material Consumed

Sr. No	Particulars	Amount in ₹	
		As at 31.03.2014	As at 31.03.2013
1	Opening Stock		
	Raw Material-M.S Scrap and Sponge	20,888,770	23,336,361
	Raw Material-M.S Ingots	45,279,198	45,658,944
2	Add: -PURCHASES		
	Raw Material-M.S Scrap and Sponge	473,231,529	457,662,878
	Raw Material-M.S Ingots	1,647,128,828	1,687,142,750
3	Less:- Closing Stock		
	Raw Material-M.S Scrap and Sponge	25,737,618	20,888,770
	Raw Material- M.S Ingots	108,273,633	45,279,198
	Raw Material consumed	2,052,517,073	2,147,632,965

Note : 23 Change in Inventories

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Opening Stock of Finished Goods and Stock in Trade	23,786,622	52,260,738
	Opening Stock of Runner Riser and W & S, Scrapped rolls	2,890,995	1,782,156
	Opening Stock of Stock in Process	1,517,961	1,762,592
	Total	28,195,578	55,805,486
2	Closing Stock of Finished Goods and Stock in Trade	37,290,595	23,786,622
	Closing Stock of Runner Riser and W & S, scrapped rolls	1,459,275	2,890,995
	Closing Stock of Stock in Process	1,582,370	1,517,961
	Total	40,332,240	28,195,578
	Total	(12,136,662)	27,609,908

Note : 24 Employee Benefit Expense

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Salaries and Wages	6,301,559	6,297,775
2	House Rent Allowance	1,386,882	1,078,894
3	Labour Charges Contractor	3,997,708	3,448,202
4	Conveyance Allowance	489,400	423,700
5	Contribution to PF & EDLI Charges	580,020	581,405
6	Contribution to ESI	217,560	213,553
7	Directors Remuneration	5,820,000	5,820,000
8	Gratuity	106,678	361,675
9	Bonus and Ex-Gratia	488,690	489,582
	Total	19,388,497	18,714,786

Defined Contribution Plan

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

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

	2013-14	2012-13
Employers Contribution to Provident fund	511,401	512,614
Employers Contribution to ESI	217,560	213,553

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

	Amount in ₹	Amount in ₹
	Gratuity	
	2013-14	2012-13
Defined Benefit obligation at the beginning of the year	972,419	610,744
Interest cost	87,518	50,248
Current Service Cost	186,254	178,487
Benefits Paid	-	-
Actuarial Gain/loss	(167,094)	132,940
Defined Benefit obligation at the end of the year	1,079,097	972,419
Funded Status		
Present Value of the obligation at the end of the year	1,079,097	972,419
Fair Value of plan assets at end of the year	-	-
Net Liability (asset) recognised in Balance Sheet and related analysis	1,079,097	972,419
Funded Status	(107,909)	(97,241)
Expenses Recognised during the year	2013-14	2012-13
Interest cost	87,518	50,248
Current Service Cost	186,254	178,487
Expended Return on plan assets	-	-
Actuarial Gain/loss	(167,094)	132,940
Expenses recognised in the profit and loss account	106,678	361,675
Actuarial Assumptions	2013-14	2012-13
Discount Rate (in %)	9.00	8.25
Salary Growth rate (in %)	5.00	5.00
Mortality LIC	.M 2006-08 Ultimate	1994-96- Ultimate
Expected rate of return		
withdrawal rate (in %) per annum	2	2

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

Note :25 Finance Cost

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest Expenses	60,545,270	62,192,464
2	Other Borrowing Costs	1,115,716	1,517,939
3	Bank & other Financial Charges	110,160	174,059
	Total	61,771,146	63,884,462

		Amount in ₹	Amount in ₹
Note : 26 Other Expenses			
Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Manufacturing Expenses:		
	Consumption of Stores and spares	27,454,672	24,922,058
	Power and Fuel	253,517,570	237,355,970
	Factory Expenses	5,442,122	5,414,039
	Insurance Plant and Machinery	527377	547060
	Repair to Plant and Machinery	918,401	612,236
	Increase/Decrease in Provision of Excise	1517862 -	4,813,649
	Duty on Closing Stock of finished goods		
2	Other Administrative Expenses:		
	Auditors Remuneration:		
	Statutory Audit Fee	70,000	70,000
	Tax Audit	30,000	30,000
	Taxation matter	30,000	30,000
	Insurance Others	1,662,066	1,559,359
	Repair others	466,747	136,927
	Rent	2,920,000	2,905,100
	Miscellaneous Expenses	1,314,288	514,669
	Donation	572,200	274,700
	Vehicle Running Expenses	1,038,923	1,096,748
	Loss on Sale of Vehicle	5,462	322,169
	Legal & Professional Charges	244,843	400,660
	Printing and Stationery Expenses	224,877	200,056
	Telephone Expenses	747,939	882,865
	Provision for Wealth Tax	166,915	168,233
	Rates, Fee & Taxes	609,756	562,853
3	Selling and Distribution Expenses:		
	Brokerage and Commission on Sale	7,444,145	10,890,067
	Service Tax on outward freight	710,340	687,412
	Freight outward and loading unloading charges	30,029,095	28,339,794
	Sales promotion expenses	9,575,228	5,077,516
	Advertisement expenses	4,556,347	4,693,557
	Sundry balances w/o	825,616	503137.00
	Rebate and Discounts	82,783	8,910
	Packing Material	668,420	461,681
	Total	353,373,994	323,854,127

Note 27 Earning per shares (EPS)

	2013-14	2012-13
Net Profit after tax as per P & L statement	21973139	1450093
Weighted average number of equity shares used as denominator for calculating EPS	4261150	4261150
EPS (Rs.) -Basic and Diluted	5.16	0.34
Face Value per equity share in Rs.	10	10

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

(a) Related Parties and their relationships

(i) Related Companies and Other Juristic Entities

M/s Kamdhenu Steels & Alloys Ltd.
M/s Ashiana Commodities & Derivatives P Ltd
M/s I Dreams Impex Pvt. Ltd.
M/s Ashiana Fincap Pvt Ltd
M/s Saurabh Gases
M/s Ashiana Manufacturing India Ltd.
Chandi Prasad Sukhbir Singh Jain (HUF)
Naresh Chand (HUF)
Puneet Jain (HUF)
V.K.Jain & Sons (HUF)
Neeraj Kumar Jain HUF
Sanjay Kumar Jain HUF

(ii) Key Managerial Personnel

Naresh Chand (Managing Director)
Neeraj Kumar Jain (Whole Time Director)
Sanjay Kumar Jain (Whole Time Director)
Puneet Jain (Whole Time Director)

(iii) Relatives of Key Managerial Personnel

Disha Jain
Divya Jain
Kiran Mala Jain
Kritika Jain
Naman Jain
Abhishek Jain
Renu Jain
Sudha Jain
Swati Jain
Tripti Agarwal
Uma Jain
Vandana Jain

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

(b) Transactions with related parties

Nature of Transactions	Amount in ₹	
	2013-14	2012-13
Interest given on Unsecured Loans	26389223.00	21722007.00
Unsecured loans taken	56624296.00	46125000.00
Repayment of Unsecured loans	42232859.00	61731713.00
Remunerations Paid to Directors	5820000.00	5820000.00
Advances given	105154434.00	77822934.00
Rent Paid	840000.00	840000.00
Purchases made	81838303.00	76004247.00
Sale made	2991061.00	40068425.00
Commission received	4669904.00	5024824.00

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

Name of Person	2013-14		2012-13	
Naresh Chand	1500000.00		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 2014 subject to the consideration of prudence of timing differences are shown in note no 4.

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

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

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

Particulars	Amount in `	Amount in `
	2013-14	2012-13
Sales Tax	1545392.00	2487462.00
Income Tax	89463795.00	83075016.00
Excise Duty	102000.00	102000.00
Service Tax	3855348.00	3855348.00

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

Particulars	2013-14		2012-13	
	Amount in `	Percentage	Amount in `	Percentage
Raw Material - Imported	0.00	0.00%	0.00	0.00%
Raw Material - Indigenous	2052517073.26	100.00%	2147632965	100.00%
Spares & Consumables - Imported	0.00	0.00%	0.00	0.00%
Spares & Consumables- Indigenous	27454672.06	100.00%	24922058	100.00%

Note 34 CIF Value of Import are as under :-

	2013-14	2012-13
	NIL	NIL

Note 35 Expenditure incurred in Foreign Currency

	2013-14	2012-13
	NIL	NIL

Note 36 Financial figures are rounded off to nearest rupees and figures have been

As per Our Report of even date
For S. SINGHAL & CO.
Chartered Accountants
Firm Registration No.: 001526C

(R.K. Gupta)
Partner
Membership.No .073846

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Whole Time Director

Place : Bhiwadi
Date:- 30th May 2014

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

ASHIANA ISPAT LIMITED

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

Proxy form

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

CIN: L27107RJ1992PLC006611

Name of the company: ASHIANA ISPAT LIMITED

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on Tuesday, the 30th day of September at 11.30 A.M. at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Alwar- Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- Adoption of Financial Statements
- Appointment of Director retiring by rotation
- Appointment of Auditors

Special Business:

- Appointment of Mr. Tara Chand Kansal as an Independent Director of the Company
- Appointment of Mr. Ram Kumar Garg as an Independent Director of the Company
- Appointment of Mr. Rajesh Kumar Pal as an Independent Director of the Company
- Appointment of Mr. Rajinder Parshad Bansal as an Independent Director of the Company
- Re-appointment of Mr. Sanjay Kumar Jain as Whole-time Director of the Company

Signed this..... day of..... 2014

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly 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
Bhiwadi301019 Distt. Alwar (Rajasthan)
Phone : 01493-220777-78
Fax: 01493-220598
www.ashianaipat.in