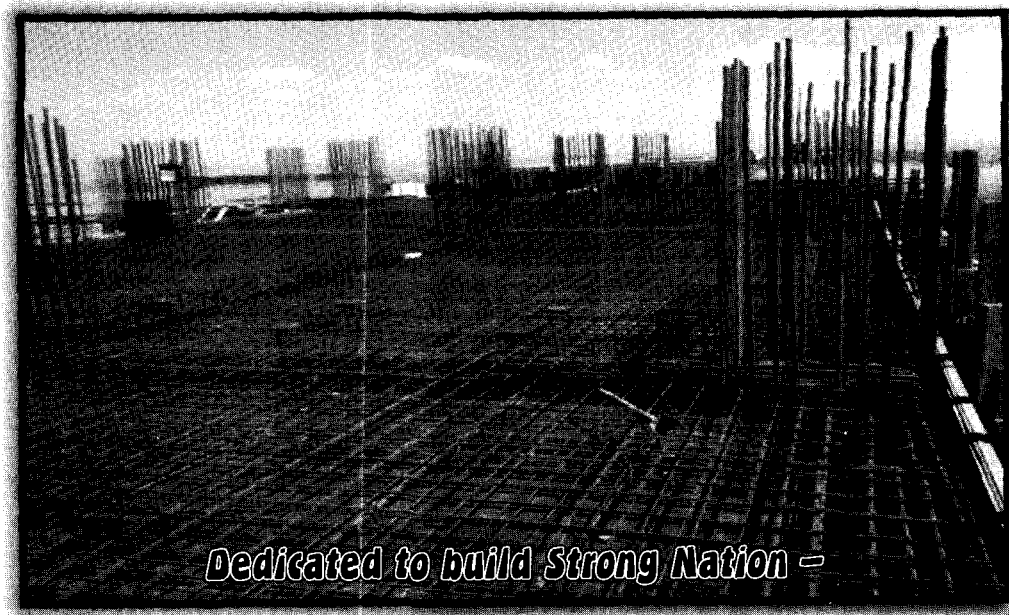


18th Annual Report
2009-2010



ASHIANA ISPAT LIMITED
(AN ISO 9001-2008 COMPANY)

ASHIANA ISPAT LIMITED



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Harun Rashid Ansari

REGD. 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.

SHARE TRANSFER AGENT :

Link Intime India Private Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, 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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Naresh Chand Jain, Managing Director

Dear Shareholders,

I take great pleasure and thank most sincerely all Shareowners of the company for the support you have given me and my team. I would like to take this opportunity to share with you some key developments that took place in the industry since the last annual general meeting, are likely to impact your Company's performance in the coming year.

The financial year 2009-10 was an extremely challenging year. In early 2009, the world economy collapsed following the unprecedented financial crisis in the autumn of 2008.

The year started with a high inflation rate leading to tightening in credit to the industry on the one end and reduced consumer spending on the other. During the second half of FY09, the global economy experienced a sharp slowdown, liquidity squeeze and a dip in confidence levels. These sequential macro-economic events had an all encompassing impact including on the performance of your Company. Spiraling input costs, interrupted power supply by Rajasthan State Vidyut Vitran Nigam Limited in Bhiwadi Industrial Area in the first half and reduction in consumer spending in the second half, affected overall performance of the company. However given the unprecedented financial market uncertainty and shortage of power supply, we generated PBDITA, 7.97 % higher over the profit registered closed the year with cash in the bank and more importantly developed a significant number of future large opportunities.

Financial performance:

Your Company's PBDITA for the year grew by 13.10% at Rs.845.87 lacs. Gross revenue at Rs.20935.94 lacs was lower by 10.70% due to shortage of power supply and speedy fluctuation in the market. Given the uncertainty in the broader marketplace and the economic factors affecting so many of our clients, we believe this to be a very respectable outcome. The reason behind the better earning even in the adverse situation is due to having unparallel energy, enthusiasm, passion and excitement of the people here, and the sense that they can do anything. In our team everybody competes, not against each other, but against everyone in the marketplace.

- Our PBDITA for the year 2009-10 has been Rs. 845.87 Lacs (previous year 2008-09 it was Rs. 783.42 Lacs)
- Earning before tax improved consecutively in a row to Rs.323.23 lacs (previous year Rs.303.27 lacs) recording an increase of 6.58%.
- Increased in earning per share by 2.04%.

Scenario of Iron & Steel Industry:

Steel industry has seen a sunrise after a bad and cloudy night. Worries of financial institutions are over and have taken an exposure in this sector. Indian government has planned for pumping in a lot of money in infrastructure in coming years; hence steel consumption will go up manifold. As India moves ahead in the new millennium, the steel industry will play a critical role in transforming India into an economic superpower. India's steel industry is witnessing a lot of action. With the economy growing at a brisk pace of more than 8% per annum, demand for steel is soaring.

Steel consumption has increased by 10% on a compounded basis over the last three years, but production has risen by just 6.5% and therefore this huge gap in demand and supply predicts a better future for coming years.

Outlook

For the first quarter of current financial year 2010-11, the Company expects revenues to be in the range of Rs.62.00 Crore and for the full year of 2010-11, total revenues are expected to be in the range of Rs.240.00 Crore to 250.00 Crore EBITDA for the year is expected to be between Rs. 12.00Crore to Rs.13.00 crore Lacs.

Going forward, your Company will continue to strengthen its leadership position in Iron & Steel Industry. We have a plan to modernize the plant, improved cost optimization, higher productivity and strong fundamentals augur well for the Company in the years to come.

The first thing to say is that we have a clear ambition, and everything we do, every day, is designed to achieve it. We shall achieve that goal through our operational excellence and maintaining a resolute commitment to providing the highest standards of TMT Bar at competitive rate.

Our people

Our people are central to what we do. The depth of our people's talent combined with our industry and organizational leadership give us a strong Competitive advantage. It is through our talented and creative people that we have earned our reputation for ingenuity.

Acknowledgement:

Before I conclude, I would like to take this opportunity to thank all of you, as our shareholders, and all other stakeholders and Government agencies, for the continuing commitment and support in your Company's onward march.

(Naresh Chand)
Managing Director

NOTICE

NOTICE is hereby given that the 18th ANNUAL GENERAL MEETING of the Shareholders of ASHIANA ISPAT LIMITED will be held on Thursday, the 30th day of September, 2010 at 11.30 A.M. at the Registered Office of the Company at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist. Alwar- Rajasthan, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S.S. Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ram Kumar Garg who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and fix their remuneration. M/s. S. Singhal & Company, Chartered Accountants, Bhiwadi retire at the Annual General Meeting and being eligible offer themselves for re appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the provisions of Schedule XIII of the Companies Act, 1956, the Company hereby approves the reappointment of Mr. Naresh Chand as the Managing Director of the Company for a period of five years w.e.f 25.01.2011 at a remuneration as detailed below:

- i. Salary: Rs.1,25,000/- per month

- ii. Perquisites:

Perquisites as follows might be provided to him in addition to salary. Perquisites so paid shall be valued in terms of actual expenditure incurred by company. However in cases where the actual amount of expenditure 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 the rules of the company.

c] Club fees:

Fees of club payable as per the rules of the company.

d] Provident Fund, Pension Fund and Superannuation Fund

Company's Contribution to provident Fund, Pension Fund & Superannuation Fund as per the Rules of the company.

e] Gratuity:

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 Telephones/Communication facilities at residence for business purposes.

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

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit 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 such steps as may be necessary to give effect to this Resolution.”

By Order of the Board
For ASHIANA ISPAT LIMITED

Sd/-

Place: Bhiwadi (Naresh Chand)
Dated: 29th June, 2010 Managing Director

NOTES :

- [a] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- [b] The instrument(s) appointing the proxy, if any, shall be delivered at the Regd. Office of the Company at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist. Alwar- Rajasthan, not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
- [c] The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under items 05 set out above is annexed hereto.
- [d] The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2010 to 30th September 2010 (both days inclusive).
- [e] Members are requested to intimate the Registrars and Share Transfer Agents of the Company – M/s. Link Intime India Private Limited of A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
- [f] Members desirous of having any information regarding Accounts are requested to address their queries to the Manager (Finance & Accounts) at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.

ASHIANA ISPAT LIMITED



- [g] Members holding Share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant Share certificates to the Registrars and Share Transfer Agents of the Company.
- [h] Members/Proxies are requested to bring the attendance slip duly filled in.
- [j] As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

Rs. in Lacs

Particulars	2009-2010	2008-2009
Gross Sales	20935.94	23444.37
Profit Before tax	323.23	303.27
Profit after tax	211.06	207.03
Paid up equity Capital	422.20	422.19
Reserve and surplus	952.42	746.76
Basic Earning per share (Rs.)	5.00	4.90

- (c) The company has not earned any foreign exchange during the financial year 2008-09 and 2009-10

EXPLANATORY STATEMENT:

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

ITEM NO. 5

The remuneration committee of the Company at its meeting held on 22nd June, 2010 and subsequently, the Board at its meeting held on 29th June, 2010 have reappointed Shri Naresh Chand as Managing Director unanimously for a further period of five years with effect from 25th January, 2011 subject to the approval of the shareholders in General Meeting.

The Managing Director will have, subject to the supervision and control of the Board of Directors, all administrative and decision making power as provided in the Companies Act, 1956 and all corporate acts applicable to the company.

The following disclosures are being made in this Explanatory Statements in compliance with Paragraph 1 (C) of Section II in Part II of Schedule XIII to the Companies Act 1956.

(a) General information:

The Company was incorporated in the year 1992 with the main object of carrying the business of iron and steels and other products.

- (b) Operational performance of the company for the financial year 2008-09 and 2009-10 is as follows:

Information about appointee:

Mr. Naresh Chand:

Mr. Naresh Chand is the Managing Director of Ashiana Ispat Limited and his present tenure is going to be end on 25.01.2011. He coursed M.Sc. degrees from the University of Agra, Uttar Pradesh and possesses a wealth of knowledge and experience concerning steel industry. He is a flamboyant Indian entrepreneur with a seemingly insatiable appetite for starting a new business. Mr. Jain is continuously seeking new business opportunities and loves a good challenge.

He looks after the management and administration of the company under the overall supervision, control and the direction of the Board of Directors. There has been a tremendous growth in the operations of the company during his tenure due to his competence and experience. His presence on the Board is a matter of great importance for the overall development and prosperity of the company.

Details of remuneration Paid to him is given below:

Name of the Person	2009-10 (in Rs.)	2008-09 (in Rs.)
Mr. Naresh Chand	15,00,000/=	15,00,000/=

Besides his remuneration, he does not have any other pecuniary relationship with company.

Other Information:

- (a) Currently, the company is performing well. However, in the event of unforeseen circumstances and conditions beyond the control of the company, the profitability of the company may be affected.
- (b) The Company is looking at new business opportunities and markets to grow
- (c) The company is expected to perform well in future.

Disclosures:

- [a] The shareholders are being informed of the remuneration package by way of explanatory statement as given above.
- [b] The details of remuneration etc. are also included in the Corporate Governance Report forming part of the Annual Report of the Company.
- [c] Mr. Sukhbir Singh Jain, Mr. Sanjay Kumar Jain, Mr. Puneet Jain and Mr. Neeraj Kumar Jain and Mr. Naresh Chand are relatives. They may be concerned or interested in passing of the resolution. None of the other Directors is in any way concerned or interested in the above resolution.
- [d] The terms and conditions of remuneration as set out above may also be treated as an abstract of the agreement between the Company and Mr. Naresh Chand, Managing Director pursuant to Section 302 of the Companies Act, 1956.
- [e] The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.
- [f] The Resolution regarding the remuneration of Mr. Naresh Chand as the Managing Director of the company is concerned for acceptance by the members.

By Order of the Board
For **ASHIANA ISPAT LIMITED**

Sd/-

Place: Bhiwadi
Dated: 29th June, 2010

(Naresh Chand)
Managing Director

DIRETORS REPORT

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report of your Company along with the Audited Accounts for the financial year-ended 31-March, 2010.

Financial results:

Sl. No.	Particulars	2009-2010	2008-2009
1	Gross Sale	20935.93	23444.37
2	Profit before Depreciation interest and Tax	845.87	783.42
3	Interest	398.95	364.31
4	Depreciation	123.69	115.85
5	Profit/ (Loss) for the year before tax	323.23	303.27
6	Balance (Cr.) brought forward from the previous year	746.76	543.00
7	Balance (Cr.) carried forward to the Balance Sheet	952.42	746.76

DIVIDEND:

The Board of Directors has not recommended any dividend and transferred all the distributable profit to the general reserve account of the company.

Performance of the Company:

Your company increased profit 6.58% to Rs. 323.23 Lacs in the financial year ended March 31,2010, compared to Rs.303.27 lac last financial year. Careful Attention to cost control has increased PBT by 6.58% while experiencing a revenue decline of 10.70% over the 2009 fiscal year. Extended rolling-forecasts from some of our major customers are showing some recovery in demand from the recent low-point and, with help from better quality of our products; we expect to return to Ashiana's traditional growth mode.

SHIFTING OF CORPORATE OFFICE:

During the year , the corporate office of the company was shifted from C-9/25, sector -8, Rohini, Delhi-110085 to C-9/36, sector -8, Rohini, Delhi-110085.

Up gradation of the Plant:

Plant upgraded by installing new Coal Gassifier during the previous year leads to less consumption of Ferro Oil and consequently helping in the conservation of energy and minimizing the air pollution.

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

Reappointment of Mr. Naresh Chand as Managing Director Keeping in view of valuable services provided by Mr. Naresh Chand during his last tenure, the Board of Directors reappointed him as Managing Director of the Company with effect from January 25, 2011 in their meeting held on 29.06.2010 for a further period of five years. His appointment as Managing Director of the Company is subject to the approval of the Shareholders in ensuing Annual General Meeting.

Retirement by Rotation:

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

AUDITORS

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

LISTING OF SECURITIES:

Shareholders in their Annual General Meeting held on 30.08.2003 approved the proposal for delisting the shares from the Magadh Stock Exchange Association Limited, Patna, The Delhi Stock Exchange Association Limited, Delhi, and the Jaipur Stock Exchange Limited, Jaipur except the Stock Exchange Mumbai, Mumbai.

DEPOSITORY SYSTEM:

M/s. Link Intime India Private Limited (old name- M/s. Intime Spectrum Registry Limited), A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, Ph-011-41410592-94, as per SEBI Guidelines has been working as share transfer agent.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

PARTICULARS OF EMPLOYEES

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

DONATIONS:

During the year under report donations were made to Social/ Educational Institutions amounting to Rs.6,67,800/- (Previous year Rs.3,13,000/-)

THE CORPORATE GOVERNANCE CODE

The company has adopted the best possible corporate governance norms and it has been our endeavour to comply upgrade to the changing norms.

A separate section on corporate Governance and a certificate from the Auditors of the company regarding compliance of conditions of corporate as stipulated under clause 49 of the listing agreement with the stock exchange form part of 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 auditors' report on the accounts of the Company is self-explanatory.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The report as required under the listing agreements with the Stock Exchanges is annexed and forms part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 your Directors hereby state and confirm that:

On the basis of the consultation with the finance executive of the company and subject to disclosures in the Annual accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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 any material fact contain statements that might be misleading.
 - (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, 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 volatile of the company's code of conduct.
3. We accept responsibility for establishing and maintaining 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 we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take rectify these 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:

The Company places on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company who have contributed in no small measure to the performance and the Company's inherent strength. Grateful thanks are also due to the our Bankers State Bank of Bikaner & Jaipur and Shareholders' appreciation of the managements' efforts at the General Meetings of the Company and otherwise, is a great fillip to strive for better performance year after year.

For and on behalf of the Board of Directors

Sd/-

Place : Bhiwadi

(Sukhbir Singh Jain)

Date: 29.06.2010

Chairman

ANNEXURE-'i'
INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW

	AS AT 31.03.2010	AS AT 31.03.2009
A POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
a. Purchase unit (KWH)	25623288	27483780
CTD Section	11323023	11400681
INGOT section	14300265	16083099
Total Amount (in ₹)	117545608	120277479
Consumption (unit/MT)		
CTD Section	174	173
INGOT Section	678	787
B Own Generation	Nil	Nil
i Through Diesel Generation		
ii Through Steam turbine		
2 Coal		
Purchased (Unit-MT)	5606.060	Nil
Total amount (in ₹)	25473545	Nil
Consumption (Unit/MT)	5258.20	Nil
3 Furnace Oil		
Quantity(KL)	1048.010	3537.780
Total amount (in ₹)	20149637	78781609

B Research & Development:

Continuous efforts are being made on research and development to minimize the consumption of power and fuel. However the expenditure on research and development is not substantial.

C Foreign Exchange earnings/ outflow

	2010	2009
i. Total Foreign Exchange earned	Nil	Nil
ii. Total foreign Exchange utilized	Nil	Nil

CORPORATE GOVERNANCE

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

Corporate Governance emphasizes the principal of self- governance. It is about promoting corporate fairness, transparency and accountability. This principle may be new for the rest of the world but since the time of civilization our glorious past taught us the lesson of self- governance. Your Company has put in place systems of good corporate governance, as recommended by SEBI under the Corporate Governance Committee headed by Mr. Kumarmangalam Birla and now confirms the compliance of Corporate Governance as contained in clause 49 of the Listing Agreement, the details of which are given below:

2. Board of Directors

The Board of Directors consists of 9 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 Director

Shri S.S. Jain

Non-executive and Independent Directors

Shri Ram Kumar Garg
Shri Rajender Prashad Bansal
Shri T. C. Kansal
Shri Rajesh Kumar Pal

Composition, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees:

Director	No. of Board meetings attended	Attendance at previous AGM on 30.09.2009	No. of outside Directorship held	No. of membership/ Chairmanship in Committees	Executive/Non-executive/ Independent
1. Mr. Naresh Chand	6	Present	3	1	Executive
2. Mr. Neeraj Kumar Jain	6	Present	4	0	Executive
3. Mr. Puneet Jain	6	Present	3	0	Executive
4. Mr. Sanjay Kumar Jain	4	Present	1	0	Executive
5. Mr. Sukhbir Singh Jain	2	Present	3	0	Non-executive
6. Mr. Ram Kumar Garg	5	Absent	0	0	Non-executive and independent
7. Mr. T. C. Kansal	5	Present	0	3	Non-executive and independent
8. Mr. Rajender Prashad Bansal	5	Present	0	3	Non-executive and independent
9. Mr. Rajesh Kumar Pal	5	Present	0	2	Non-executive and independent

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

Six Board meeting were held during the year. The dates on which the meetings were held are as follows; 30.04.2009,15.07.2009,31.07.2009,03.08.2009,30.10.2009,30.01.2010

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 composition, role, functions and power of the audit committee are in tune with the requirements of applicable laws and regulations and guidelines issued/to be issued by the Regulatory Authorities.

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

Sl. No.	Name of the Members	Status	No. of Meeting attended
1.	Mr. T.C. Kansal	Chairman & Independent Director	5
2.	Mr. R.P. Bansal	Independent Director	5
3.	Mr. Rajesh Kumar Pal	Independent Director	5

4. Remuneration Committee:

Remuneration committee consists of Non-executive Independent Directors viz. Sh. T.C Kansal, Sh. R.P. Bansal and Sri Rajesh Kumar Pal. The committee recommend/ review the remuneration package of the Managing Director/ Whole-time Director(s) in accordance with the existing industry practice and also with the provisions of the Companies Act, 1956.

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	Managing Director (Works)	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

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

Pursuance to the provisions of Clause 49 of the Listing agreement, the board has laid down a Code of Conduct for all Board Members and Senior management Team.

All Board members and Senior management team have affirmed compliance of code of conduct as on 31.03.2010 and a declaration to that effect signed by Chairman & Managing Director is attached and forms part of this report.

6. 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.

7. Shareholders grievances committee:

Shareholders grievances 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 observes and reviews the shareholders grievances and ensures to provide prompt and satisfactory services to the shareholders.

As per the latest guidelines M/s. Link Intime India Private Limited (old name- M/s. Intime Spectrum Registry Limited), A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, 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.

8. General Body Meetings:

Location and time for last three Annual General meeting:

Year	Location	Date	Day	Time
2006-07	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	10.09.2007	Monday	11.00 A.M
2007-08	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	29.09.2008	Monday	11.30 A.M
2008-09	A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	30.09.2009	Wednesday	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, 2010 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.

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.

10. Means of communication

The quarterly, Half-yearly and Annual Results are generally published by the Company in all national daily i.e. Economic Times, The Times of India, Nav Bharat Times (Hindi Edition), Business Standard (All India Edition), Maharashtra Times and others local news papers. Official news releases and notices etc. are sent to the Stock Exchange at Mumbai where shares of the company are listed.

11. General shareholders information:

(a) Annual General Meeting:

Date and time: 30th September 2010 at 11.30 A.M.

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

ASHIANA ISPAT LIMITED



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

Annual General Meeting	:	30.09.2010
Results for the quarter ending 30.06.2010	:	Second week of August, 2010
Results for the quarter ending 30.09.2009	:	Second week of November, 2010
Results for the quarter ending 31.12.2009	:	Second week of February, 2011
Results for the quarter ending 31.03.2010	:	Second week of June, 2011

(c) **Book Closure Date** : 23.09.2010 to 30.09.2010

(d) **Listing of Equity Shares** : Mumbai

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

Month of the F-Y 2007-08	Month's High Price	Month's Low Price
April	9.17	7.20
May	12.01	8.90
June	14.56	10.81
July	12.90	9.80
August	12.30	10.25
September	13.45	11.00
October	14.44	11.00
November	14.00	10.00
December	13.00	9.75
January	17.80	11.56
February	17.05	11.99
March	14.85	11.60

12. **Registrar & Share Transfer Agent and Communication regarding all kinds of Share related matters** : Link Intime India Private Ltd.
Phase-II, Near Batra Banquet Hall,
A-40, 2nd Floor, Naraina Industrial Area,
New Delhi-110028, Ph-011-41410592

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	16244	0.36
4	Others	2856056	63.97
	Total	4464800	100.00

ASHIANA ISPAT LIMITED



(h) Distribution on shareholding as on 31.03.2010

Shares holding of nominal value of Rs.	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
Up to 2500	11690	92.74	1551365	34.75
2501-5000	507	4.02	204351	4.58
5001-10000	232	1.84	194999	4.37
10001-20000	92	0.74	148409	3.32
20001-30000	24	0.19	59426	1.33
30001-40000	11	0.08	38899	0.87
40001-50000	13	0.10	62131	1.39
50001-100000	11	0.09	75136	1.68
100001 & above	26	0.20	2130084	47.71
Total	12606	100.00	4464800	100.00

The above report was adopted by the Board of Directors at their meeting held on 29.06.2010.

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 Team have affirmed compliance of the code of conduct during the financial year ended 31.03.2010.

Sd/-

Place: Bhiwadi.
Date: 29.06.2010

(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 reviewed the implementation of Corporate Governance by ASHIANA ISPAT LIMITED (the company) during the year ended 31.03.2010, 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.

We state that no valid investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievances Committee. 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: 29.06.2010

Sd/-
(Rakesh Gupta)
Partner

MANAGEMENT DISCUSSION AND ANALYSIS

[A] FINANCIAL REVIEW

Sales for the year ended March 31, 2010 decreased 10.70% to Rs. 20935.94 lacs compared to Rs. 23444.37 lacs in 2009 primarily as a result of the overall decrease in realization of the prices. Net profit after tax for the year was posted at Rs. 211.06 lacs as compared to Rs. 207.03 lacs in the previous fiscal. Earnings per Share (EPS) for the financial year ended 31st March 2010 is arrived at Rs. 5.00 as against Rs. 4.90 for the year ended 31 March 2009.

Despite the increase in cost of consumption of raw material by 4.17% PBT of the company increased by 6.58% to Rs. 323.23 lacs during the financial year under review compared to Rs. 303.27 Lac in the previous year. This results were achieved by reducing the manufacturing and Administrative overhead by 15.40% and Selling & Distribution overhead by 12.97%.

The Company's Financial Management under the visionary leadership of Mr. Naresh Chand, Managing Director, has held it in good stead over the years and has given it the unbeatable reputation of being a reliable and trustworthy organization. Operational and Finance team monitors the manufacturing operations and ensures that budgetary provisions are strictly adhered to.

[B] INDUSTRIAL OUTLOOK

Steel is a highly capital intensive industry and cyclic in nature. Its growth is intertwined with the growth of the economy at large, and in particular the steel consuming industries, such as, manufacturing, housing and infrastructure. India presently accounts for less than 5% of the global output of finished steel and 1% of global trade. The scope for raising the total consumption of steel is huge, given that per capita steel consumption is only 35 kg compared to 150 kg across the world and 250 kg in China. This wide gap in relative steel consumption indicates that the potential ahead for India to raise its steel consumption is high.

The Indian government plans to invest over US\$ 350 billion in industries related to infrastructure and construction. India is poised to be the world's 2nd largest producer of steel before 2016. India's steel production will be nearly 124 MT by 2012 and the country could achieve an annual capacity of around 275 MT by 2019-20. In such a scenario, the Indian steel industry has a long way to go.

[C] OPPORTUNITY, THREATS, RISK & CONCERN

Demand for steel in India is likely to grow at around 12% against the global average of 5-6%. While the demand for steel will continue to grow in traditional sectors such as infrastructure, construction, housing automotive, steel tubes and pipes, consumer durables, packaging, and ground transportation, specialized steel will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, and fertilizers, among others. The new airports and railway metro projects will require a large amount of stainless steel.

We enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities. This provides major cost advantage to the domestic steel.

But due to recession Steel consumption has declined as construction activities have slowed down. This has led to a fall in steel prices by 40% in the last few months. Steel prices currently range between Rs28, 000 and Rs40, 000 a tonne from Rs.50,000 to 55, 000 a tonne a couple of months ago. Sudden movement in the prices upwards and downwards direction is the measure concern for the steel industry.

[D] OUTLOOK

I In the coming year 2011 we expect average flat steel prices will rise 8% while long product prices increased 2% sequentially. Post price hikes in April and May, steel prices corrected by INR 1,500 per tonne to INR 3,000 per tonne in June due to destocking, global macro concerns and buyers adopting a wait and watch attitude. Also, higher raw material cost, especially coking coal is expected to start denting margins. However, on 1 year basis we expect demand to remain strong and margins to recover.

we expect steel prices to remain subdued after year 2011 due to slower than expected growth. However, raw material prices during this period will continue to remain high causing a hit in EBITDA per tonne margins.

[E] CONTROL SYSTEM & THEIR ADEQUACY

The Company has a proper and adequate system of internal control procedures, commensurate with its size and nature of business, to provide reasonable assurance that all assets and resources are safeguarded and protected against loss from unauthorized use or disposition, and 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. We recognise the importance of Human resources and give full respect for its development and are committed to the developments of our country.

[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.

AUDITORS' REPORT

TO THE MEMBERS

ASHIANA ISPAT LIMITED

We have audited the annexed Balance Sheet of **M/s ASHIANA ISPAT LTD** as at 31st March 2010 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

1. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used in significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) Amendment Order 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956. We enclose in the annexure a statement on the matters Specified in paragraph 4 & 5 of the said Order.
3. Further to put our comments in the annexure referred to in paragraph 2 above we state that :-
 - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards wherever applicable referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (f) We report that in our opinion and to the best of our information and according to the explanation given to us the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2010;
 - (ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on 31st March, 2010 and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31st March, 2010.

For S.Singal & Company
Chartered Accountants
Firm Regn. No. 001526C

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

Place: Bhiwadi
Date: 29.06.2010

ANNEXURE TO AUDITORS' REPORT

Refer to in paragraph 2 of our report of even date of M/s Ashiana Ispat Ltd.

1. (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) The company has not disposed off substantial fixed assets during the year and the going concern status of the company is not affected.
2. (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. (a) The Company has taken Loans from Twenty Six Parties covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved in loans taken & credited in all account is Rs. 614.56 Lacs. Opening Balance and Closing Balance of all these accounts are Rs. 959.31 Lacs and Rs. 746.70 Lacs respectively. The company has not granted any loan to Companies, Firm or other parties listed in the register maintained under section 301 of the Companies act, 1956 except loan given to M/s Ashiana Commodities & Derivatives Pvt. Ltd having Opening and closing balance same as Rs. 95.48 Lacs.
(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 payment of the principal amount and interest thereon is 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 as informed by the management in view of other internal check and control maintained by the company a separate audit system is not considered necessary.
8. In our opinion the cost records maintained by the company are general and not in precise manner as prescribed by the Central Government U/s 209(1)(d) of the Companies Act 1956 for the product of the company. We have however not made a detailed examination of these cost records.

ASHIANA ISPAT LIMITED



9. In respect of statutory dues:

- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, 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. 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, 2010 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to Rs. 63.52 Lacs their against Rs. 29.22 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	Nature of the Dues	Forum where dispute is pending	Amount (Rs.InLacs)
1)	Central Excise Act, 1944	Excise	High Court Jaipur	Rs.1.02
2)	Central Excise Act, 1944	Excise	CESTAT, Delhi	Rs.2.15
3)	Income Tax Act, 1961	Income Tax	CIT(Appeals), Alwar	Rs.5.13
4)	Sales Tax Act	Sales Tax	Appeal with DC Appeal, Bhiwadi	Rs.47.45
5)	Sales Tax Act	Sales Tax	Appeal with Joint Commissioner, Faridabad	Rs.7.77

10. The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and 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. Term Loans (Car Loan) raised during the year have been applied for respective purpose (Buying Cars).
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 funds raised on short-term basis have been utilized for long-term purposes to the tune of Rs. 109.64 lacs.
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 the materially misstated.

For S. Singhal & Co.
Chartered Accountants

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

Place: Bhiwadi
Date: 29.06.2010

ASHIANA ISPAT LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH. No.	AS AT 31.3.2009 (Rs.) (Rs.)		AS AT 31.3.2010 (Rs.) (Rs.)	
I SOURCES OF FUNDS :					
[A] SHAREHOLDER'S FUNDS :					
(a) SHARE CAPITAL	1	42,220,500		42,219,500	
(b) RESERVE & SURPLUS	2	95,242,373	137,462,873	74,675,715	116,895,215
[B] LOAN FUNDS :					
(a) SECURED LOANS	3	206,480,420		220,311,683	
(b) UNSECURED LOANS	4	77,307,444	283,787,864	98,431,189	318,742,872
[C] DEFERRED TAX LIABILITIES			12,798,138		9,851,872
			434,048,875		445,489,959
II APPLICATION OF FUNDS :					
[A] FIXED ASSETS	5				
Gross Block		203,442,811		175,453,402	
Less: Depreciation		84,166,813		73,507,037	
Net Block			119,275,998		101,946,365
Capital Work in Progress			-		17,884,940
[B] INVESTMENT	6		13,825,000		13,825,000
[C] CURRENT ASSETS, LOANS & ADVANCES :					
(a) Inventories	7	214,613,507		123,448,665	
(b) Sundry Debtors	8	249,488,274		263,761,910	
(c) Cash & Bank Balances	9	13,768,243		21,981,108	
(d) Loan & Advances	10	73,456,193		84,110,704	
		551,326,217		493,302,387	
LESS : CURRENT LIABILITIES & PROVISIONS	11	250,378,340		181,468,733	
NET CURRENT ASSETS			300,947,877		311,833,654
			434,048,875		445,489,959
Significant accounting policies and notes forming part of the Accounts	21				

In term of our report of even date.

For S. SINGHAL & CO.
Chartered Accountants

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

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Managing Director (Works)

Place :Bhiwadi.
Dated :29.06.2010

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	2009-2010 (Rs.)	2008-2009 (Rs.)
1 INCOME:			
GROSS SALES	12	2,093,593,585	2,344,437,441
LESS: EXCISE DUTY		164,024,772	258,373,016
NET SALES		1,929,568,813	2,086,064,425
OTHER INCOME	13	887,235	1,536,014
INCREASE/(DECREASE) IN STOCK	14	8,332,539	(878,742)
		1,938,788,587	2,086,721,697
2 EXPENDITURE:			
COST OF MATERIAL	15	1,595,613,087	1,689,061,306
GOODS TRADED IN	16	-	17,382,258
PAYMENT TO AND PROVISIONS FOR EMPLOYEES	17	14,170,551	14,219,315
MANUFACTURING & ADMINISTRATIVE OVERHEAD	18	208,030,109	245,905,772
INTEREST AND FINANCIAL CHARGES	19	39,895,302	36,430,734
DEPRECIATION	5	12,368,739	11,584,628
SELLING & DISTRIBUTION EXPENSES	20	36,387,430	41,810,579
		1,906,465,218	2,056,394,592
3 PROFIT BEFORE TAX		32,323,370	30,327,105
4 Less: Provision for Tax			
a) Current Tax		8,270,627	10,149,193
b) Deffered Tax		2,946,267	(991,148)
C) Fringe benefit Tax			465,864
Tax Expenses		11,216,894	9,623,909
5 PROFIT AFTER TAX		21,106,476	20,703,196
6 PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		74,675,715	54,300,986
7 Income tax of earlier years		539,818	328,467
8 PROFIT CARRIED OVER TO BALANCE SHEET		95,242,373	74,675,715
9 Earning Per share		5.00	4.90
Refer Note No. 10 of Schdule "21" Significant accounting policies and notes forming part of the Accounts	21		

In term of our Report of even date.

For S. SINGHAL & CO.

Chartered Accountants

(R.K. Gupta)

Partner

MS.No. 073846

(Naresh Chand)

Managing Director

(Neeraj Kumar Jain)

Managing Director (Works)

Place :Bhiwadi.

Dated :29.06.2010

(Puneet Jain)

Whole Time Director

(Harun Rashid Ansari)

Company Secretary

ASHIANA ISPAT LIMITED



	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
SCHEDULE-1		
SHARE CAPITAL :		
(a) Authorised Share Capital : 5000000 Equity Shares of Rs. 10/- Each.	50,000,000	50,000,000
(b) Issued : 44,64,800 Equity Shares of Rs.10/-each fully paid	44,648,000	44,648,000
(c) Subscribed & Paid Up : 44,64,800 Equity Shares of Rs.10/-each	44,648,000	44,648,000
Less : Calls in Arrear - from others	2,427,500	2,428,500
	<u>42,220,500</u>	<u>42,219,500</u>
SCHEDULE-2		
RESERVE & SURPLUS :		
Profit & Loss Account	95,242,373	74,675,715
	<u>95,242,373</u>	<u>74,675,715</u>
SCHEDULE-3		
SECURED LOANS :		
Cash Credit Facility	181,004,391.68	146,544,296
From State Bank of Bikaner & Jaipur , Delhi secured by first charge on Stock of Raw Material such as Ingots , Billets etc., Semi-Finished & Finished Goods such as Twisted Bars , Rods , Round Wires Rods etc. whether Raw or in process or manufacture and all the manufactured there from which are stored at Company's godown or premises at A-1116, Phase-III, RIICO Industrial Area, Bhiwadi Distt. Alwar (Rajasthan) or at any place(s) including those in transit. Additionally secured by the followings:- a) All Movable Machineries , Equipments , Tools , Stores & Spares and or Consumable Articles and Accessories both present and future. b) Equitable Mortgage of Company' s properties situated at A - 1116 Phase III, Bhiwadi, Distt. Alwar (Rajasthan) From Barclays Bank,	0.00	50000000
Term Loan from SBBJ	15,342,529.78	20,579,026
From State Bank of Bikaner & Jaipur , Delhi secured by first charge by way of equitable mortgage of Factory Land & Building at A-1116 Phase-III, RIICO Indl. Area, Bhiwadi (Raj.). First exclusive charges on the Fixed Assets of the Furnace Unit Excluding Factory Land & Building. Additionally secured by the followings:- a) All Movable Machineries , Equipments , Tools , Stores & Spares and or Consumable Articles and Accessories both present and future. b) Equitable Mortgage of Company' s properties situated at A - 1116 Phase III, Bhiwadi, Distt. Alwar (Rajasthan)		
Car Loan Secured against Hypothecation of Car:		
Tata Capital Ltd. Car Loan	1,524,591	2463990
Kotak Mahindra Prime Ltd.	8,356,771	
HDFC Bank Car Loan	252,137	724,371
	<u>206,480,420</u>	<u>220,311,683</u>
SCHEDULE-4		
UNSECURED LOANS :		
From Directors, Relatives & Shareholders	74,419,205	42,300,905
From Body Corporates	2,888,239	56,130,284
	<u>77,307,444.00</u>	<u>98,431,189</u>

SCHEDULE-5

FIXED ASSETS AS ON 31.03.2010

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09 (Rs.)	Addition/ Deletion (Rs.)	Sale	As at 01.04.10 (Rs.)	Up to 01.04.09 (Rs.)	For the Year (Rs.)	Adjust-ment	Up to 31.03.10 (Rs.)	As at 31.03.10 (Rs.)	As at 31.03.09 (Rs.)
Leasehold Land	4,982,220	-		4,982,220	-	-	-	-	4,982,220	4,982,220
Building	24,494,431	576,000		25,070,431	6,152,230	801,928	-	6,954,158	18,116,273	18,342,201
Plant & Machinery	106,772,957	20,024,563		126,797,520	54,346,091	8,141,040	-	62,487,131	64,310,389	52,426,867
Electrical Installation	11,070,647	-		11,070,647	5,334,539	590,532	-	5,925,071	5,145,576	5,736,108
Laboratory Equipments	754,561	-		754,561	196,598	50,848	-	247,446	507,115	557,963
Office Equipments	1,381,927	174,395		1,556,322	331,258	72,577	-	403,835	1,152,487	1,050,669
Vehicles	25,287,108	15,939,387	8,724,935	32,501,560	6,618,617	2,648,407	1,708,964	7,558,060	24,943,500	18,668,491
Computers	323,850	-		323,850	232,287	39,439	-	271,726	52,124	91,563
Furniture & Fixtures	241,968	-		241,968	178,734	13,304	-	192,038	49,930	63,235
Tubwell	143,732	-		143,732	116,684	10,665	-	127,349	16,383	27,049
Total	175,453,401	36,714,345	8,724,935	203,442,811	73,507,038	12,368,739	1,708,964	84,166,813	119,275,998	101,946,365
Capital Work In Progress	17,884,940	(17,884,940)		-					-	17,884,940
Grand Total	193,338,341	18,829,405	8,724,935	203,442,811	73,507,038	12,368,739	1,708,964	84,166,813	119,275,998	119,831,305
Previous Year's Figures	164,963,368	28,374,973		193,338,341	61,922,408	11,584,628	-	73,507,037	119,831,305	103,040,960

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<u>SCHEDULE-6</u>		
<u>INVESTMENTS :</u>		
<u>Unquoted:</u>		
Investment in 2,500 Fully Paid Up Shares of Kamdhenu Imprade Pvt Ltd (Formerly Parichaya Portfolio Pvt Ltd) @ Rs.10/- Per Share	25,000	25,000
Shares of Krish Homes Pvt. Ltd. 276000 equity share of Rs. 10 each @ premium of Rs. 40 per share.	13,800,000	13,800,000
	<u>13,825,000</u>	<u>13,825,000</u>
<u>SCHEDULE-7</u>		
<u>INVENTORIES :</u>		
(As taken, valued and certified by the Management)		
Raw Material	181,719,430	100,649,297
Stores, Spares & Electrical Items	3,031,885	5,236,435
Finished Goods	22,243,329	12,871,789
Stock of Trading goods	38,699	319,651
Stock in Process	1,144,924	1,231,351
Waste Scrap & Runner/Riser	1,910,920	2,409,294
Misc. Scrap (Old Rolls)	198,743	371,991
Furnace Oil , Ferro, Coal	4,325,577	358,857
	<u>214,613,507</u>	<u>123,448,665</u>
<u>SCHEDULE-8</u>		
<u>SUNDRY DEBTORS :</u>		
(Unsecured but considered good unless otherwise stated)		
Outstanding for a period exceeding six months.	58,124,489	58,617,946
Other Debts	191,363,785	205,143,964
	<u>249,488,274</u>	<u>263,761,910</u>
<u>SCHEDULE-9</u>		
<u>CASH & BANK BALANCES :</u>		
Cash in Hand	6,163,522	4,340,301
Cash Seized with Income Tax Department	300,000	300,000
Balance With Scheduled Banks :		
In Current Accounts	6,062,336	6,386,066
In Short Term Deposit	1,242,384	10,954,741
	<u>13,768,243</u>	<u>21,981,108</u>
<u>SCHEDULE-10</u>		
<u>LOANS & ADVANCES :</u>		
(Unsecured but considered good)		
Advances Recoverable in cash or in kind or for value to be received	14,528,978	31,676,044
Security Deposits	13,752,924	13,480,036
Balance with Central Excise & Service Tax Deptt	34,513,449	29,672,122
Balance with Sales Tax Deptt	4,710,842	3,082,502
Advance Income Tax	5,950,000	6,200,000
	<u>73,456,193</u>	<u>84,110,704</u>

ASHIANA ISPAT LIMITED



	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<u>SCHEDULE-11</u>		
<u>CURRENT LIABILITIES & PROVISIONS :</u>		
Sundry Creditors for Capital Goods	446,108	2,805,484
Sundry Creditors-Others	221,705,740	132,382,064
Expenses Payable & Other Liabilities	19,848,316	35,591,565
Provision for Current Income Tax	8,270,627	10,149,193
Provision for Fringe Benefit Tax	-	416,827
Provision for Wealth Tax	107,549	123,599
	<u>250,378,340</u>	<u>181,468,733</u>
<u>SCHEDULE-12</u>		
<u>SALES :</u>		
Finished Goods	2,065,286,026	2,320,899,589
Waste & Scrap & Runner/Riser & Misc. Scrap	28,029,361	6,398,805
Goods Traded In	278,197	17,139,047
	<u>2,093,593,585</u>	<u>2,344,437,441</u>
<u>SCHEDULE-13</u>		
<u>OTHER INCOME :</u>		
Interest on Fixed Deposits	88,803	143,187
Interest on Security deposit with JVVNL	798,432	1,392,827
	<u>887,235</u>	<u>1,536,014</u>
<u>SCHEDULE-14</u>		
<u>INCREASE/DECREASE IN STOCK :</u>		
Finished Goods	22,282,029	13,191,440
Waste Scrap & Runner/Riser	1,910,920	2,409,294
Misc. Scrap (Old Rolls)	198,743	371,991
Stock in Process	1,144,924	1,231,351
Less: Opening Stock		
Finished Goods	13,191,440	13,423,154
Waste Scrap & Runner/Riser	2,409,294	2,853,705
Misc. Scrap (Old Rolls)	371,991	383,600
Stock in Process	1,231,351	1,422,359
	<u>8,332,539</u>	<u>(878,742)</u>
<u>SCHEDULE-15</u>		
<u>Raw Material Consumed</u>		
Opening Stock	100,649,297	53,622,301
Add: Purchases	1,676,683,220	1,736,088,302
	<u>1,777,332,517</u>	<u>1,789,710,603</u>
Less: Closing Stock	181,719,430	100,649,297
	<u>1,595,613,087</u>	<u>1,689,061,306</u>
<u>SCHEDULE-16</u>		
<u>GOODS TRADED IN</u>		
CTD-Bar	-	17,382,258
		<u>17,382,258</u>

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<u>SCHEDULE-17</u>		
<u>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</u>		
Salary, Wages & Allowances	7,992,139	7,883,091
Bonus & Ex-gratia	291,808	289,446
Gratuity	66,604	226,778
Director's Remuneration	5,820,000	5,820,000
	<u>14,170,551</u>	<u>14,219,315</u>
<u>SCHEDULE-18</u>		
<u>MANUFACTURING & ADMINISTRATIVE OVERHEAD :</u>		
Power & Fuel	178,154,374	199,412,822
Increase/Decrease in Excise Duty on Stock	1,443,947	(1,567,068)
Stores & Spares Consumed	16,612,653	35,989,957
Insurance	952,905	744,624
Rent, Rates & Taxes	2,318,343	2,990,835
Fuel, Repair & Maint. of vehicles	992,976	1,124,846
Donation	667,800	313,000
Miscellaneous Administrative Expenses	6,031,703	6,335,871
<u>Auditor's Remuneration :</u>		
-Statutory Audit Fee	55,000	55,000
-Tax Audit	25,000	25,000
-Taxation Matter	25,000	25,000
<u>Repair & Maintenance to :-</u>		
-Plant & Machinery	467,325	153,770
-Building	116,182	222,045
others	166,901	80,069
	<u>208,030,109</u>	<u>245,905,772</u>
<u>SCHEDULE-19</u>		
<u>INTEREST AND FINANCING CHARGES:-</u>		
Interest on Working Capital Limit	20,786,623	20,380,731
Interest on Term Loan	2,638,378	3,022,323
Interest to Others	13,671,752	11,716,936
Bank Charges	2,798,549	1,310,744
	<u>39,895,302</u>	<u>36,430,734</u>
<u>SCHEDULE-20</u>		
<u>Selling & Distribution Expenses</u>		
Brokerage & Commission	9,544,810	15,055,500
Service Tax Paid on Outward Freight	389,474	116,197
Freight & loading and unloading charges	20,983,471	9,293,462
Royalty Paid	1,000	1,000
Sales Promotion Expenses	235,335	6,767,250
Advertisement Expenses	4,296,382	10,440,198
Rebate & Discount	247,623	33,608
Sundry Balances W/Off	689,335	103,364
	<u>36,387,430</u>	<u>41,810,579</u>

SCHEDULE -21

NOTES ON THE ACCOUNTS

A. 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 Scrap & Runner / Risers are valued at realizable value .

(c) Finished Goods are valued at cost or market price whichever is less.

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) Company has not received any Dividend Income during the year.

9 Tax on Income

Provision made for deferred tax is recognized subject to the consideration of prudence, timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date

10. Financial figures are rounded off to nearest rupees.

B. Contingent Liabilities : Disputed liabilities not acknowledged as debts by the Company.

Particulars	Current Year	Rs.in Lacs
		Previous Year
Sales Tax	55.22	0
Income Tax	5.13	5.13
Excise Duty	3.17	1.02
Service Tax	0	20.73

C. NOTES

- Balance under the heads Unsecured Loans, Sundry Creditors, Sundry Debtors, Advances etc. as on 31.03.2010 are subject to confirmation. The amount of Sundry Debtors Rs 249488274/- (P.Y.263761910/-) are arrived after netting of advance from Debtors Rs 30400876/- (P.Y. Rs. 39531136/-) and Sundry Creditors Rs 222151848 /- (P.Y.Rs.135187548/-) are arrived after netting of advance from Suppliers Rs 12213337/- (P.Y. Rs. 13031037/-). Advance include Rs. 4075093 for excise duty deposit vide RG 23A under protest.
- Liability on account of Gratuity is provided for on the basis of actuary valuation made at the end of the Financial year.
- Additional Information Pursuant to the provisions of paragraphs (3) to (4D) of Part II of Schedule VI of the Companies Act, 1956.
- Particulars in respect of Installed capacities and the actual production :**

Class of goods	Installed Capacity		Actual Production	
	Previous Year	Current Year	Current Year	Previous Year
(a) CTD-Bars	80,000	80,000	62558.140	62987.190
(b) M.S.Ingot	25,200	25,200	20100.44	19584.55
(c) Waste & Scrap	--	--	2607.895	2773.98
(Arise from manufacture of CTD Bars)	--	--	941.230	998.54
(d) Runner Risers				
(Arise from manufacture of MS Ingot)				

Note :-

- Installed Capacity (Certified & reinstated by the Management and not verified by the auditors being a technical matter)
- Licenced Capacity not applicable.

2 Particulars in respect of Stock of finished goods & sales :
Current Year

Class of goods	Opening Stock		Production	Sales		Closing Stock	
	Qty in MT	Value		Qty in MT	Value	Qty in MT	Value
CTD Bar & Waste Scrap	441.490	118.530	65166.035	65,009.605	18956.301	597.920	181.076
M.S. Ingot / Runner Risers	148.405	34.280	21041.670	20,930.905	1972.964	259.170	60.466
Stock In Process	48.000	12.310	-	-	0.000	48.000	11.449
Previous Year							
CTD Bar & Waste Scrap	648.940	156.810	65761.170	65,968.620	22870.470	441.490	118.530
M.S. Ingot / Runner Risers	32.660	5.960	20583.090	20,467.345	402.510	148.405	34.280
Stock In Process	48.000	14.220	-	-	-	48.000	12.310
Current Year Total	637.8950	165.1200	86,207.7050	85,940.5100	20,929.2645	905.0900	252.9917
Previous Year Total	729.600	176.990	86344.260	86435.965	23272.980	637.895	165.120

Note

- Quantity of turnover of "CTD Bars and Waste Scrap" includes captive consumption waste & scrap 1335.275 MT.
- Quantity of Opening Stock and Closing Stock of CTD Bar include 9.09 MT of Form V of Excise Register Stock.
- Quantity of turnover of M.S. Ingot and Runner / Risers includes captive consumption of M.S. Ingot & Runner / Risers 12469.830 MT and 730.715 MT respectively.

3 Particulars in respect of Goods Traded in :
Current Year

(Rs. In Lacs)

	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
CTD Bar	10.49	3.20	0.000	0.00	9.220	2.78	1.270	0.39
Previous Year								
CTD Bar	0	0	484.525	173.82	474.035	171.39	10.49	3.20
Current Year	-	-	0.000	0.000	9.220	2.780	1.270	0.390
Previous Year	0.000	0.00	484.53	173.82	474.035	171.39	10.49	3.20

4 Analysis of Raw Material Consumed :

Class of Goods	Current Year		Previous Year	
	Qty in M.T.	Value (Rs.)	Qty in M.T.	Value (Rs.)
M.S. Ingot / Billets	67025.725	12662.53	67819.530	13028.18
M.S. Scrap & Sponge	23773.165	3293.60	23482.895	3862.43

Note:-

- The consumption of M.S. Ingot includes 12469.830 MT of Captive Consumption from Own production.
 - The consumption of M.S. Scrap includes 2065.990 MT of Captive consumption from own production.i.e 730.715 from Runner Riser and 1335.275 from Waste and Scrap
- 5 Value of imported and indigenous Raw materials, Spares and components consumed and the percentage of each the total consumption :**

Rs. In Lacs

Particulars	Current Year		Previous Year	
	Amount	Percentage	Amount	Percentage
Raw Material - Imported	427.98	2.68%	273.56	1.62%
Raw Material - Indigenous	15528.15	97.28%	16617.05	98.38%
Spares & Consumables - Imported	0.00	0.00%	0.00	0.00%
Spares & Consumables- Indigenous	166.13	100.00%	359.90	100.00%

6 Segment Reporting

The Company is manufacturing CTD Bars and Ingots, but M.S. Ingots is used as raw material of CTD 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.

7 The Cash Flow statement has been prepared in accordance with the requirement of Accounting Standards-3 "Cash Flow Statement" issued by the ICAI .

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

(a) Related Parties and their relationships

<p>(i) Related Companies and Other Juristic Entities</p> <p>M/s Kamdhenu Steels & Alloys Ltd. M/s Ashiana Fincap P Ltd M/s Ashiana Commodities & Derivatives P Ltd Chandi Prasad Sukhbir Singh Jain (HUF) Naresh Chand (HUF) Puneet Jain (HUF) V.K.Jain (HUF) Neeraj Kumar Jain HUF Sanjay Kumar Jain HUF</p>	<p>(ii) Key Managerial Personnel</p> <p>Naresh Chand (Managing Director) Neeraj Kumar Jain (Managing Director Works) Sanjay Kumar Jain (Whole Time Director) Puneet Jain (Whole Time Director)</p>
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ASHIANA ISPAT LIMITED



(iii) Relatives of Key Managerial Personnel

Abhishek Jain	Renu Jain	Suresh Chand Jain	Uma Jain	
Hemlata Jain	Sudha Jain	Swati Jain	Saroj Gupta	Disha Jain
Kiran Mala Jain	Sukhbir Singh Jain	Tripti Agarwal	Vandana Jain	Naman Jain

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

(b) Transactions with related parties

Nature of Transactions	Current Year	Previous Year
Interest on Loans	13097068	11341936
Unsecured Loans	74595463	43145759
Remunerations	5,820,000	5820000
Rent	360000	360000

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

Name of Person	Current Year	Previous Year
Naresh Chand	1500000	1500000
Neeraj Kumar Jain	1440000	1440000
Sanjay Kumar Jain	1440000	1440000
Puneet Jain	1440000	1440000

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.

10 Earning per share (EPS) as per Accounting Standard - 20

	Current Year	Previous Year
Net Profit / (Loss) after Current Taxes	21106476	20703196
Weighted average number of equity shares of Rs.10 each as on 31.03.10	4221971	4221950
EPS (Rs.) -Basis	5.00	4.90

11 Provisions for Taxation

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,2010 Subject to the consideration of prudence, timing differences are as under

DeferredTaxLiabilities	Current Year	Previous Year
Diff. in WDV as per IT Act and as per Companies Act	12954629	9998900
DeferredTaxAssets:-		
1 Gratuity	156491	147030
2 Other Items	00	
Net Deferred Tax Liabilities	12798138	9851871

12 CIF Value of Import are as under :-

Class of Goods	Current Year	Previous Year
Raw Material	427.98	273.56

13 Previous years figures have been regrouped / rearranged wherever necessary to confirm to current year figures & in this schedule and the same are appearing in brackets .

14 The Company has not received information from vendors except Maa Giriraj Ispat Pvt.Ltd. 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.

15 The company was subjected to search by the Income Tax Authorities during the year ended 31st March, 2009 The proceeding is still under process. Income Tax duty liability, if any upon conclusion of search proceedings shall be provided for in the year in which the assessment by concerned authority is completed

Signature to Schedule "1" To "21 "

In term of our report of even date.

For S. SINGHAL & CO.
CharteredAccountants

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Managing Directo (Works)

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

Place : Bhiwadi
Dated : 29.06.2010

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

ASHIANA ISPAT LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

Sl.No.	Particulars	Year ended 31.3.2009	Year ended 31.3.2010
[A]	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit before Tax	30,327,105	32,323,370
	<u>Adjustments For :-</u>		
	Depreciation	11,584,628	12,368,739
	Interest Paid	35,119,990	37,096,753
	Loss on Sale of Vehicle	648,891	725,974
	Operating Profit Before Working Capital Changes	77,680,614	82,514,836
	<u>Increase (Decrease) in working Capital</u>		
	Trade & Other Receivables	(53,871,041)	24,928,147
	Inventories	(43,254,171)	(91,164,842)
	Trade Payables & Other Liabilities	(14,442,137)	68,909,605
	Cash from Operation	(33,886,736)	85,187,746
	Income Tax	(10,149,193)	(827,062)
	Fringe benefit tax	(465,864)	0
	Cash Flow Before Extraordinary Items	(44,501,792)	76,917,119
	Income Tax Paid for earlier year	(328,467)	(539,818)
	Net Cash From Operating Activities	(44,830,259)	76,377,301
[B]	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase Of Fixed Assets	(31,218,864)	(18,829,405)
	Sale of Fixed Assets	2,195,000	6,290,000
	Investment	(2,650,000)	-
	Cash Used in Investing Activities	(31,673,864)	(12,539,405)
[C]	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Interest Paid	(35,119,990)	(37,096,753)
	Increase in share capital (Calls in arrear)	2,000	1,000
	Proceeds From Long/ Short Term Borrowings	109,806,499	(34,955,008)
	Cash Used/ Generated in Financing Activities	74,688,509	(72,050,761)
	Net Increase/ (Decrease) In Cash and Cash Equivalents	(1,815,614)	(8,212,865)
	Cash and Cash Equivalents (Opening Balances)	23,796,722	21,981,108
	Cash and Cash Equivalents (Closing Balances)	21,981,108	13,768,243
	Note to cash flow statement:		
	Cash and Cash Equivalents consist of cash in hand and balance with banks		
	Cash and Cash Equivalents included in the cash flow statement comprise the following:		
	Balance Sheet Amount		
	Cash in Hand	4,640,301	6,463,522
	balance with banks:		
	-Current Accounts	6,386,066	6,062,336
	-Others	10,954,741	1,242,384
		21,981,108	13,768,243

For S. Singhal & Co.
Chartered Accountants

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

(Naresh Chand) (Neeraj Kumar Jain)
Managing Director Managing Director (Works)

Place : Bhiwadi
Date : 29/06/2010

(Puneet Jain) (Harun Rashid Ansari)
Whole Time Director 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, 2010 reported upon by us on 29th June 2010. 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 : 29.06.2010

BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

(In term of amendment VI Part IV)

(i) **Registration Details**

CIN No.	L27107RJ1992PLC006611	State Code	17
Balance Sheet	31 03 2010		
	Date Month Year		

(ii) **Capital Raised During the Year**

Public Issue	Right Issue
NIL	NIL

(iii) **Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets
434049	434049
Sources of Funds	
Paid - Up Capital	Reserve & Surplus
42221	95242
Secured Loans	Unsecured Loans
206480	77308
	Net Deferred Tax Liability
	12798

Application of Funds

Net Fixed Assets	Investment
119276	13825
Net Current Assets	Misc. Expenditure
300948	NIL
Accumulated Losses	
NIL	

(iv) **Performance of the Company (Amount in ' 000)**

Total Turnover	Total Expenditure
1929569	1906465
+ - Profit / Loss before Tax	+ - Profit / Loss after Tax
+ 32323	+ 21106
Earning Per Share in Rs.	Dividend Rates %
5.00	NIL

Item Code No. (ITC Code)	-721420-90
	-720610-90
Product Description	CTD/TMT BARS/ RODS/M.S. INGOTS

For S . Singhal & Co.
Chartered Accountants

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

(Naresh Chand)
Managing Director

(Neeraj Kumar Jain)
Managing Director (Works)

Place : Bhiwadi
Date : 29/06/2010

(Puneet Jain)
Whole Time Director

(Harun Rashid Ansari)
Company Secretary

ASHIANA ISPAT LIMITED



ASHIANA ISPAT LIMITED

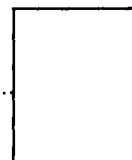
Regd Office : A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301 019, Distt. Alwar (Rajasthan)

FORM OF PROXY

I/We.....of.....in the district of.....being a member/members of the ASHIANA ISPAT LIMITED, hereby appoint Mr/Mrs/Miss.....of.....in the district of.....or failing him/her Mr/Mrs/Miss.....of.....in the district of.....as my/our Proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Thursday the 30 th day of September, 2010 at 10.00 A.M. or at any adjournment thereof.

Signed this.....day of.....2010

Signature.....



Folio No.....

DP ID

Client ID.....

Note : If a member is unable to attend the meeting, he/she may fill this form and send it to the Registered Office of the Company so as to reach atleast 48 hours before the time for holding the meeting./

ASHIANA ISPAT LIMITED

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

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

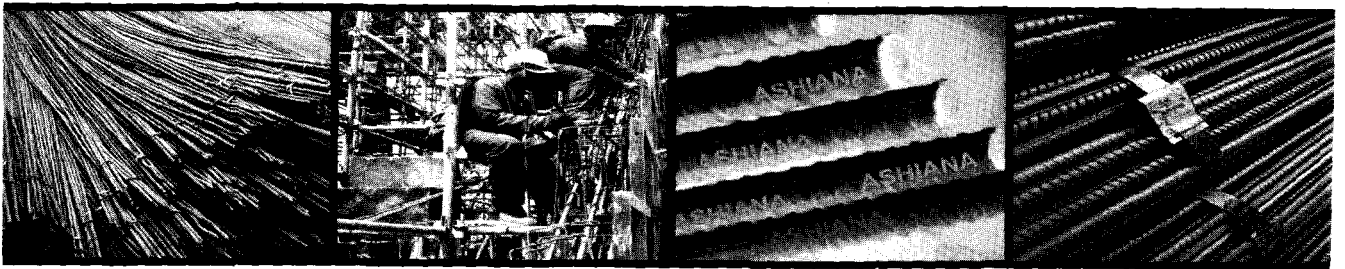
Name and Address of the Member	Folio No.
	Clint ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the 18th Annual General Meeting of the Company at the Registered Office of the Company, on Thursday the 30th day of September, 2010 at 10.00 A.M.

Signature of the Shareholder	Signature of the Proxy

Note : 1. The copy of Annual Report may please be buought to the Meeting Hall.
2. Briefcasis, Hand Bags etc. are not allowed inside the Meeting Hall.
3. Please note that no gifts will be distributed at the meeting.

BOOK-POST



ASHIANA ISPAT LIMITED

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