



# ASHIANA ISPAT LIMITED

(AN ISO 9001-2008 COMPANY)



19th Annual Report

2010-2011

**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 Prasad 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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## MANAGING DIRECTOR'S MESSAGE



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. On behalf of the Board, I am pleased to report that the Company has significantly exceeded expectations and registered a robust financial performance in 2010-11 against a challenging economic environment with rising inflation, rising interest rates and rising input costs.

### **Annual Results**

For the year ended 31 March 2011, Ashiana's recorded a revenue growth of 35.70% to Rs. 2,840.99 million from Rs. 2093.59 million in the previous year. The PBT grew by 7.62% to Rs. 34.79 million from Rs. 32.32 million and PAT grew by 9.53% to Rs. 23.12 million in financial year 2010-11 from Rs. 21.11 million during the previous financial Year. The growths in revenue and profits have been driven by volume growth and better realizations from businesses. The Company was able to deliver a commendable performance which reflects on its knowledge and understanding of the business.

We have taken initiatives to improve internal control systems and optimise and enhance realizations for our saleable products. We have further improved our HR practices and as a responsible corporate citizen, we continue to give top priority to Health, Safety and Environment.

### **Opportunity:**

The biggest opportunity before Indian steel sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. We have rich mineral resources and are the fourth largest iron ore reserves 10.3 billion tonnes after Russia, Brazil, and Australia. Therefore, many raw materials are available at comparatively lower costs. We have also third largest pool of technical manpower, next to United States and the erstwhile USSR, capable of understanding and assimilating new technologies. Considering quality of workforce, Indian steel industry has low unit labour cost, commensurate with skill. This gets reflected in the lower production cost of steel in India compared to many advanced countries.

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. Enhancing applications in rural areas assumes a much greater significance now for increasing per capital consumption of steel. The usage of steel in cost effective manner is possible in the area of housing, fencing, structures and other possible applications where steel can substitute other materials which not only could bring about advantages to users but is also desirable for conservation of forest resources.

For the first quarter of current financial year 2011-12, the Company expects revenues to be in the range of Rs.75 .00 Crore and for the full year of 2010-11, total revenues are expected to be in the range of Rs.280.00 Crore to 300.00 Crore EBITDA for the year is expected to be between Rs. 8.00 Crore to Rs. 10.00 crore.

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 TO MEMBERS**

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the Shareholders of **ASHIANA ISPAT LIMITED** will be held on **Friday, the 30<sup>th</sup> day of September, 2011 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 31<sup>st</sup> March, 2011 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. Sanjay Kumar Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Rajender Prasad Bansal 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.

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

Place: **Bhiwadi**  
Dated: **10.08.2011**

**Sd/-**  
**(Naresh Chand)**  
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 proxies shall be treated as invalid. proxy shall not have any right to speak at the meeting.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from **23<sup>rd</sup> September 2011 to 30<sup>th</sup> September 2011** (both days inclusive).
- [d] Members are requested to intimate the Registrars and Share Transfer Agents of the Company M/s. Link Intime India Private Limited of A-40, 2<sup>nd</sup> 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.
- [e] 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.

- [f] 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.
- [g] Members/Proxies are requested to bring the attendance slip duly filled in.
- [h] 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.

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

Sd/-  
(Naresh Chand)  
Managing Director

Place: Bhiwadi  
Dated: 10.08.2011

**DIRECTORS' REPORT**

Dear Shareholders,  
Your Directors are pleased to present the Nineteenth Annual Report of your Company along with the Audited Accounts for the financial year-ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS:**

Sl. No.	Particulars	2010-2011	2009-2010
1	Gross Sale	28409.86	20935.94
2	Profit before Depreciation interest and Tax	867.62	817.89
3	Interest	386.19	370.97
4	Depreciation	133.58	123.69
5	Profit/ (Loss) for the year before tax	347.85	323.23
6	Balance (Cr.) brought forward from the previous year	952.42	746.76
7	Balance (Cr.) carried forward to the Balance Sheet	1181.02	952.42

**OPERATIONS**

During the year under review, your Company has exceeded expectations and recorded a robust financial performance with revenue growth of 35.70% to Rs. 28, 409.86 Lacs, PBT growth of 7.62% to Rs. 347.85 Lacs and PAT growth of 9.53% to Rs. 231.18 Lacs. Despite of the economic recession your Company has set new milestones and Turnover volume touched all time high record Rs. 28,409.86 Lacs (previous year Rs. 20935.93 lacs). Higher productivity has been accompanied by better utilization of limited resources and better logistics management,

increased market share in addressable markets and turnover incentive to dealers and distributors. On account of thrust on infrastructure development and promotion of housing sector including participation through foreign direct investments, the demand and prices of restructure bar see better future ahead.

**DIVIDEND:**

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

**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. Sanjay Kumar Jain and Mr. Rajender Prasad Bansal, 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.

Mr. Sanjay Kumar Jain is specialized in operations process improvement, cost and spend rationalization, and enhanced resource utilization. During his career he has been associated with iron and steel industry in different capacities. Presently he is looking after the production and ensuring the production of high quality iron rod.

Mr. Rajender Prasad Bansal having more than 30 years experience of iron and steel industry. His presence on the Board is immense beneficial for the company in long run.

**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.

**DEPOSITORY SYSTEM:**

M/s. Link Intime India Private Limited ( old name- M/s. Intime Spectrum Registry Limited), A-40, 2<sup>nd</sup> 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. Annexure-A

**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:**

Committed to enhancing prosperity as a responsible corporate, Ashiana focuses on health services to its external community. It has been associated with Mahaveer International, a premier social organization having 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:**

33.06 % of the company's paid up Equity Share Capital is in dematerialized form as on March 31st, 2011 and balance 66.94 % is in physical form.

The Company's Registrars are M/s. Link Intime India Pvt. Ltd. A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, New Delhi-110028.

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2011-2012 to BSE, where the Company's Shares are listed and in the process to get the shares delisted from the Magadh Stock Exchange Association Limited, Patna, The Delhi Stock Exchange Association Limited, Delhi, and the Jaipur Stock Exchange Limited, Jaipur.

**THE DIRECTOR'S RESPONSIBILITY  
STATEMENT (UNDER SECTION 217  
(2AA) OF COMPANIES Act, 1956.)**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statement in terms of Section 217 (2AA) of the Companies Act 1956.

1. That in the preparation of the Annual Accounts for the year ended 31st March, 2011 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any

2. That such accounting policies as mentioned in Notes on Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the State of affairs of the Company at the Financial year 31st March, 2011 and of the profit of the Company for that year.
3. That proper and sufficient care has been taken for 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.
4. That the Annual Accounts for the year ended 31st March, 2011 has been prepared on a going concern basis.

**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.

**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

Place: Bhiwadi

Date: 10.08.2011

Sd/-  
(Sukhbir Singh Jain)  
Chairman

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

AS AT 31.03.2011 AS AT 31.03.2010

**A POWER AND FUEL CONSUMPTION**

<b>1</b>	<b>ELECTRICITY</b>		
a.	Purchase unit (KWH)	28680846	25623288
	CTD Section	13660342	11323023
	INGOT section	15020504	14300265
	Total Amount (in ₹)	130757578	117545608
	Consumption (unit/MT)		
	CTD Section	174	174
	INGOT Section	661	678
<b>B</b>	Own Generation	Nil	Nil
i	Through Diesel Generation		
ii	Through Steam turbine		
<b>2</b>	Coal		
	Purchased (Unit-MT)	8636.415	5606.060
	Total amount (in ₹)	58328690	25473545
	Consumption (Unit/MT)	7960.00	5258.20
<b>3</b>	Furnace Oil		
	Quantity(KL)	70.210	1048.010
	Total amount (in ₹)	2039070	20149637

**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**

		2011	2010
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:**

(i) Composition and Category of Directors as of March 31, 2011 is as follows:

**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 Jian  
Shri Puneet Jain  
Shri Sanjay Kumar Jain

Non Executive Director-Chairman

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 30.09.2010	No. of outside Directorship held	No. of membership/ Chairmanship in Committees	Executive/Non-Independent
1. Mr. Naresh Chand	5	Yes	3	1	Executive
2. Mr. Neeraj Kumar Jain	5	Yes	4	0	Executive
3. Mr. Puneet Jain	5	Yes	3	0	Executive
4. Mr. Sanjay Kumar Jain	5	Yes	3	0	Executive
5. Mr. Sukhbir Singh Jain	0	Yes	3	0	Non-executive
6. Mr. Ram Kumar Garg	3	Yes	0	0	Non-executive and independent
7. Mr. T. C. Kansal	5	Yes	0	3	Non-executive and independent
8. Mr. Rajender Prashad Bansal	5	Yes	1	3	Non-executive and independent
9. Mr. Rajesh Kumar Pal	5	Yes	0	2	Non-executive and independent

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

Five Board meeting were held during the year. The dates on which the meetings were held are as follows; 14.05.2010,29.06.2010,13.08.2010,12.11. 2010,14.02.2011.

**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 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	4
2.	Mr. R.P. Bansal	Independent Director	4
3.	Mr. Rajesh Kumar Pal	Independent Director	4

**5. 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 recommends/ reviews 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

**6. 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 31.03.2011 and a declaration to that effect signed by Chairman & Managing Director is attached and forms part of this report.

**7. 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.

**8. 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-40,2<sup>nd</sup> 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.

**9. General Body Meetings:**

Location and time for last three Annual General meeting:

Year	Location	Date	Day	Time
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
2009-10	A-1116, Phase -III, RIICO Industrial Area, Bhiwadi-301019, Dist- Alwar-Rajasthan.	30.09.2010	Thursday	11.30 A.M

No resolution was required to be put through postal ballot.

**10. Disclosures**

The related party transactions have been disclosed in Notes of Account forming part of the Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2011 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.

**11. 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) 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.

**12. General shareholders information:****a) Annual General Meeting:**

Date and time: 30<sup>th</sup> September 2011 at 11.30 A.M.

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

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

Annual General Meeting	: 30.09.2011
Results for the quarter ending 30.06.2011	: Second week of August, 2011
Results for the quarter ending 30.09.2011	: Second week of November, 2011
Results for the quarter ending 31.12.2011	: Second week of February, 2012
Results for the quarter ending 31.03.2012	: Last week of May, 2012

**c) Book Closure Date**

: 23.09.2011 to 30.09.2011

**d) Listing of Equity Shares**

: Mumbai

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

BSE Quote : (ASHISH) -513401

<i>Month F.Y. – 2010-2011</i>	<i>High Price</i>	<i>Low Price</i>
<i>Apr 10</i>	<i>14.35</i>	<i>11.67</i>
<i>May 10</i>	<i>14.48</i>	<i>12.15</i>
<i>Jun 10</i>	<i>14.50</i>	<i>12.40</i>
<i>Jul 10</i>	<i>15.00</i>	<i>11.61</i>
<i>Aug 10</i>	<i>15.90</i>	<i>12.33</i>
<i>Sep 10</i>	<i>16.06</i>	<i>13.26</i>
<i>Oct 10</i>	<i>15.24</i>	<i>13.11</i>
<i>Nov 10</i>	<i>16.00</i>	<i>13.12</i>
<i>Dec 10</i>	<i>16.70</i>	<i>12.80</i>
<i>Jan 11</i>	<i>15.51</i>	<i>13.15</i>
<i>Feb 11</i>	<i>16.40</i>	<i>12.00</i>
<i>Mar 11</i>	<i>15.50</i>	<i>12.40</i>

**13. Registrar & Share Transfer Agent and  
Communication regarding all kinds of  
Share related matters**

**: Link Intime India Private Ltd.  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase-II, Near Batra Banquet Hall,  
New Delhi-110028, Ph-011-41410592-94**

**f) Shareholding pattern as on 31.03.2011**

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
	<b>Total</b>	<b>4464800</b>	<b>100.00</b>

**g) Distribution on shareholding as on 31.03.2011**

Shares holding of nominal value of Rs.	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
Up to 2500	11443	93.055	1514017	33.910
2501-5000	456	3.708	184016	4.121
5001-10000	219	1.781	184179	4.125
10001-20000	93	0.756	148574	3.328
20001-30000	19	0.155	47185	1.057
30001-40000	14	0.144	50001	1.120
40001-50000	11	0.089	52090	1.167
50001-100000	13	0.106	86993	1.948
100001 & above	29	0.236	2197745	49.224
<b>Total</b>	<b>12297</b>	<b>100.00</b>	<b>4464800</b>	<b>100.00</b>

The above report was adopted by the Board of Directors at their meeting held on 10.08.2011.

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 31.03.2011.

Place: Bhiwadi.

Date: 10.08.2011

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 reviewed the implementation of Corporate Governance by ASHIANA ISPAT LIMITED (the company) during the year ended 31.03.2011, 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: 10.08.2011**

**Sd/-  
(Rakesh Gupta)  
Partner**



## MANAGEMENT DISCUSSION AND ANALYSIS

### [A] FINANCIAL REVIEW

#### overview

Your Company registered a healthy performance during 2010-11 with a 35.70% growth in revenues to Rs. 2840.99 million, 6.08% increase in EBIDTA to Rs. 86.76 million, 7.62% increase in PBT to Rs. 34.79 million and 9.53% rise in PAT to Rs. 23.12 million. 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 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

*There is no doubt that India will strive to achieve the status of a global economic and industrial power by 2020s and will become one. Infrastructure improvement across the country is a prime requisite to further development. For this, India will necessarily need to reach a per capita steel consumption of at least 100 kg, if not more, by 2020. The ratio of long to flat products will also be set right to about 55% long and 45% flat. It is unlikely that past mistakes will be repeated.*

*With an estimated population of around 1.4 billion in 2020, this level of consumption will mean a steel requirement of about 140 million tonnes per year or an increase of 110 mT in 16 years (2005-2020) from the current level. This is definitely feasible if one considers that China increased its production by 70 mT (130 to 200 mT) in 4 years from 2000 to 2003. India can do it too, and will, even though it involves an investment of about **Rs 300,000 crores in 16 years**. If we do not achieve this production level, massive imports will surely be resorted to, because development is not going to stop merely because the steel industry is not up to the challenge. It is entirely up to the industry.*

### [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.

Despite of opportunity there are some hurdle like Power shortage Use of outdated process for production ,Lags behind in the production of stainless steel , Deficiency of raw materials required by the industry , Labor productivity is low that needs to be shorted to improve the global market share.

**[D] OUTLOOK**

Continuing our preview of the decade to 2020, if India is going to reach and sustain GDP growth of 10% p.a it will need to rapidly develop infrastructure. A key enabler of this is a vibrant, dynamic and rapidly growing steel industry.

Indian steel demand is expected to sustain and even surpass a growth rate of over 10% p.a for the decade, indeed many analysts have Indian steel demand rising by 12-15% p.a during this period. These growth rates lead to finished steel demand projections of 156Mt at a CAGR of 10%, 186Mt at 12% and 243Mt at 15% p.a. Thus India's steel production will need to expand rapidly.

*Considering the market conditions the Company has targeted a turnover of Rs.280 to 300 Crores during the financial year 2011-12.*

**[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.

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

**AUDITORS' REPORT****TO THE MEMBERS****ASHIANA ISPAT LIMITED**

We have audited the annexed Balance Sheet of **M/s ASHIANA ISPAT LTD** as at 31<sup>st</sup> March 2011 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 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011;
    - (ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on 31<sup>st</sup> March, 2011 and
    - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31<sup>st</sup> March, 2011.

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

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

Place: Bhiwadi  
Date:10.08.2011

**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 Seven 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 Rs.3234.57Lacs. Opening Balance and Closing Balance of all these accounts are Rs. 746.70 Lacs and Rs. 1054.29 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, without interest having opening Balance Rs.95.48 Lacs and Closing Balance Rs.96.30 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 internal check and control are maintained by the management.

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.
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 31<sup>st</sup> March, 2011 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to Rs. 892.01 Lacs their against Rs. 182.72 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	Forum where the dispute is pending	Amount. (In Lacs)
1	Central Excise Act, 1944	FY 2001-02	High Court Jaipur	Rs.1.02
2	Income Tax Act,1961	AY 04-05, AY 05-06	CIT (Appeals), Alwar	Rs.3.99
3	Sales Tax Act	FY 05-06, FY 06-07	Appeal with Joint Commissioner, Faridabad	Rs.15.45
4	Service Tax Act	FY 08-09 AY 2003-04	CESTAT, Delhi	Rs. 38.55
5	Income Tax Act,1961	to AY 2009-10	CIT (Appeal), Jaipur	Rs. 785.55
6	Sales Tax Act	FY 04-05, FY 05-06	Tax Board, Ajmer	Rs. 47.45

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. 100.87 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 be materially misstated.

**For S. Singhal & Co.**  
**Chartered Accountants**

**PLACE: BHIWADI**  
**DATE: 10.08.2011**

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

## BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE No.	AS AT 31.3.2011		AS AT 31.3.2010	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>I SOURCES OF FUNDS :</b>					
<b>[A] SHAREHOLDER'S FUNDS :</b>					
(a) SHARE CAPITAL	1	42,220,500		42,220,500	
(b) RESERVE & SURPLUS	2	118,254,683	160,475,183	95,242,373	137,462,873
<b>[B] LOAN FUNDS :</b>					
(a) SECURED LOANS	3	220,797,042		206,480,420	
(b) UNSECURED LOANS	4	107,929,736	328,726,778	77,307,444	283,787,864
[C] DEFERRED TAX LIABILITIES			12,187,724		12,798,138
			<u>501,389,685</u>		<u>434,048,875</u>
<b>II APPLICATION OF FUNDS :</b>					
<b>[A] FIXED ASSETS</b>					
Gross Block	5	223,073,127		203,442,811	
Less: Depreciation		99,234,057		84,166,813	
Net Block			123,839,070		119,275,998
<b>[B] INVESTMENT</b>					
[C] CURRENT ASSETS, LOANS & ADVANCES :	6		13,825,000		13,825,000
(a) Inventories	7	219,443,083		214,613,507	
(b) Sundry Debtors	8	323,100,226		249,488,274	
(c) Cash & Bank Balances	9	7,109,398		13,768,243	
(d) Loan & Advances	10	71,816,880		73,456,193	
		<u>621,469,587</u>		<u>551,326,217</u>	
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	11	<u>257,743,972</u>		<u>250,378,340</u>	
<b>NET CURRENT ASSETS</b>			<u>363,725,615</u>		<u>300,947,877</u>
			<u>501,389,685</u>		<u>434,048,875</u>
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

Place: Bhiwadi.  
Dated: 10.08.2011

( Naresh Chand )  
Managing Director

( Puneet Jain )  
Whole Time Director

( Neeraj Kumar Jain )  
Managing Director (Works)

( Harun Rashid Ansari )  
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	2010-2011	2009-2010
		(Rs.)	(Rs.)
<b>1 INCOME:</b>			
GROSS SALES	12	2,840,985,878	2,093,593,585
LESS: EXCISE DUTY		262,365,993	164,024,772
NET SALES		2,578,619,885	1,929,568,813
OTHER INCOME	13	15,039,279	887,235
INCREASE/(DECREASE) IN STOCK	14	4,333,103	8,332,539
		<b>2,597,992,267</b>	<b>1,938,788,587</b>
<b>2 EXPENDITURE:</b>			
COST OF MATERIAL	15	2,155,456,660	1,595,613,087
GOODS TRADED IN	16	29,964,797	-
PAYMENT TO AND PROVISIONS FOR EMPLOYEES	17	15,439,130	14,170,551
MANUFACTURING & ADMINISTRATIVE OVERHEAD	18	236,533,843	208,030,109
INTEREST AND FINANCIAL CHARGES	19	39,978,016	39,895,302
DEPRECIATION	5	13,358,280	12,368,739
SELLING & DISTRIBUTION EXPENSES	20	72,476,400	36,387,430
		<b>2,563,207,126</b>	<b>1,906,465,218</b>
<b>3 PROFIT BEFORE TAX</b>		<b>34,785,141</b>	<b>32,323,370</b>
<b>4 Less: Provision for Tax</b>			
a) Current Tax		12,124,939	8,270,627
b) Deffered Tax		(610,414)	2,946,267
<b>Tax Expenses</b>		<b>11,514,525</b>	<b>11,216,894</b>
<b>5 PROFIT AFTER TAX</b>		<b>23,270,616</b>	<b>21,106,476</b>
<b>6 PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR</b>		<b>95,242,373</b>	<b>74,675,715</b>
7 Income tax of earlier years		258,306	539,818
<b>8 PROFIT CARRIED OVER TO BALANCE SHEET</b>		<b>118,254,683</b>	<b>95,242,373</b>
<b>9 Earning Per share</b>		<b>5.51</b>	<b>5.00</b>
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

Place: Bhiwadi.  
Dated: 10.08.2011

( Naresh Chand )  
Managing Director

( Puneet Jain )  
Whole Time Director

( Neeraj Kumar Jain )  
Managing Director (Works)

( Harun Rashid Ansari )  
Company Secretary



	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL :</b>		
(a) <b>Authorised Share Capital :</b> 5000000 Equity Shares of Rs. 10/- Each.	50,000,000	50,000,000
(b) <b>Issued :</b> 44,64,800 Equity Shares of Rs. 10/-each fully paid	44,648,000	44,648,000
(c) <b>Subscribed &amp; Paid Up :</b> 44,64,800 Equity Shares of Rs. 10/-each	44,648,000	44,648,000
<b>Less : Calls in Arrear - from others</b>	2,427,500	2,427,500
	42,220,500	42,220,500
<b>SCHEDULE-2</b>		
<b>RESERVE &amp; SURPLUS :</b>		
Profit & Loss Account	118,254,683	95,242,373
	118,254,683	95,242,373
<b>SCHEDULE-3</b>		
<b>SECURED LOANS :</b>		
<b>Cash Credit Facility</b>	195,680,246	181,004,392
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 premies 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 Machinerics , 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)		
<b>Term Loan from SBBJ</b>	10,253,328	15,342,529.78
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 Indi. 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 Machinerics , 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)		
<b>Car Loan Secured against Hypothecation of Car:</b>		
Tata Capital Ltd. Car Loan	1,285,062	1,524,591.00
BMW Financial Services Pvt. Ltd.	6,603,590	0
Kotak Mahindra Prime Ltd.	5,435,085	8,356,771
HDFC Bank Car Loan	1,534,731	252,137
	220,797,042	206,480,420
<b>SCHEDULE-4</b>		
<b>UNSECURED LOANS :</b>		
From Directors, Relatives & Shareholders	100,552,800	74,419,205
<b>From Body Corporates</b>	7,376,936	2,888,239
	107,929,736	77,307,444

## SCHEDULE-5

### FIXED ASSETS AS ON 31.03.2011

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10 (Rs.)	Addition/ Deletion (Rs.)	Sale	As at 31.03.11 (Rs.)	Up to 31.03.10 (Rs.)	For the Year (Rs.)	Up to 31.03.11 (Rs.)	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)	
Leasehold Land	4,982,220	-		4,982,220	-	-	-	4,982,220	4,982,220	
Building	25,070,431	-		25,070,431	6,954,158	820,481	7,774,639	17,295,792	18,116,273	
Plant & Machinery	126,797,520	6,324,353		133,121,873	62,487,131	8,723,389	71,210,520	61,911,353	64,310,389	
Electrical Installation	11,070,647	-		11,070,647	5,925,071	590,532	6,515,603	4,555,044	5,145,576	
Laboratory Equipments	754,561	-		754,561	247,446	50,848	298,294	456,267	507,115	
Office Equipments	1,556,322	43,600		1,599,922	403,835	73,386	477,221	1,122,701	1,152,487	
Vehicles	34,210,524	22,035,228	(10,502,076)	45,743,676	9,267,023	3,053,159	12,320,183	33,423,493	24,943,500	
Computers	323,850	4,700		328,550	271,726	28,874	300,600	27,950	52,124	
Furniture & Fixtures	241,968	15,547		257,515	192,038	12,511	204,549	52,966	49,930	
Tubwell	143,732	-		143,732	127,349	5,100	132,449	11,283	16,383	
<b>Total</b>	<b>205,151,775</b>	<b>28,423,428</b>	<b>(10,502,076)</b>	<b>223,073,127</b>	<b>85,875,777</b>	<b>13,358,280</b>	<b>99,234,057</b>	<b>123,839,070</b>	<b>119,275,998</b>	
Capital Work In Progress	-	-		-					-	
<b>Grand Total</b>	<b>205,151,775</b>	<b>28,423,428</b>	<b>(10,502,076)</b>	<b>223,073,127</b>	<b>85,875,777</b>	<b>13,358,280</b>	<b>99,234,057</b>	<b>123,839,070</b>	<b>119,275,998</b>	
Previous Year's Figures	195,047,305	18,829,405	8,724,935	205,151,775	73,507,038	12,368,739	85,875,777	119,275,998	119,831,305	

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b><u>SCHEDULE-6</u></b>		
<b><u>INVESTMENTS :</u></b>		
<b><u>Unquoted:</u></b>		
Investment in 2,500 Fully Paid Up Shares of Kamdhenu Imprade 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>
<b><u>SCHEDULE-7</u></b>		
<b><u>INVENTORIES :</u></b>		
(As taken, valued and certified by the Management)		
Raw Material	176,058,769	181,719,430
Stores, Spares & Electrical Items	3,660,965	3,031,885
Finished Goods	27,046,022	22,243,329
Stock of Trading goods	-	38,699
Stock in Process	1,268,357	1,144,924
Waste Scrap & Runner/Riser	1,218,540	1,910,920
Misc. Scrap ( Old Rolls )	336,800	198,743
Furnace Oil , Ferro, Coal	9,853,630	4,325,577
	<u>219,443,083</u>	<u>214,613,507</u>
<b><u>SCHEDULE-8</u></b>		
<b><u>SUNDRY DEBTORS :</u></b>		
(Unsecured but considered good unless otherwise stated)		
Outstanding for a period exceeding six months.	49,702,755	58,124,489
Other Debts	273,397,471	191,363,785
	<u>323,100,226</u>	<u>249,488,274</u>
<b><u>SCHEDULE-9</u></b>		
<b><u>CASH &amp; BANK BALANCES :</u></b>		
Cash in Hand	6,409,398	6,163,522
Cash Seized with Income Tax Department	300,000	300,000
Balance With Scheduled Banks :		
In Current Accounts	400,000	6,062,336
In Short Term Deposit	-	1,242,384
	<u>7,109,398</u>	<u>13,768,242</u>
<b><u>SCHEDULE-10</u></b>		
<b><u>LOANS &amp; ADVANCES :</u></b>		
(Unsecured but considered good)		
Advances Recoverable in cash or in kind or for value to be received	33,475,449	14,528,978
Security Deposits	13,768,824	13,752,924
Balance with Central Excise & Service Tax Deptt	12,211,732	30,658,101
Service Tax Refund	3,855,348	3,855,348
Balance with Sales Tax Deptt	1,305,527	4,710,842
Advance Income Tax	7,200,000	5,950,000
	<u>71,816,880</u>	<u>73,456,193</u>

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b><u>SCHEDULE-11</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS :</u></b>		
Sundry Creditors for Capital Goods	548,770	446,108
Sundry Creditors-Others	215,386,257	221,705,740
Expenses Payable & Other Liabilities	29,528,251	19,848,316
Provision for Current Income Tax	12,124,939	8,270,627
Provision for Wealth Tax	155,755	107,549
	<b>257,743,972</b>	<b>250,378,340</b>
<b><u>SCHEDULE-12</u></b>		
<b><u>SALES :</u></b>		
Finished Goods	2,792,469,908	2,065,286,026
Waste & Scrap & Runner/Riser & Misc. Scrap	16,925,633	28,029,361
Goods Traded In	31,590,337	278,197
	<b>2,840,985,878</b>	<b>2,093,593,584</b>
<b><u>SCHEDULE-13</u></b>		
<b><u>OTHER INCOME :</u></b>		
Interest on Fixed Deposits	22,264	88,803
Subsidy Received (RIPS)	14,140,736	
Interest on Sale Tax Refund	77,847	
Interest on Security deposit with JVVNL	798,432	798,432
	<b>15,039,279</b>	<b>887,235</b>
<b><u>SCHEDULE-14</u></b>		
<b><u>INCREASE/DECREASE IN STOCK :</u></b>		
Finished Goods	27,046,022	22,282,029
Waste Scrap & Runner/Riser	1,218,540	1,910,920
Misc. Scrap ( Old Rolls )	336,800	198,743
Stock in Process	1,268,357	1,144,924
Less: Opening Stock		
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
	<b>4,333,103</b>	<b>8,332,539</b>
<b><u>SCHEDULE-15</u></b>		
<b><u>Raw Material Consumed</u></b>		
Opening Stock	181,719,430	100,649,297
Add: Purchases	2,149,795,999	1,676,683,220
	<b>2,331,515,429</b>	<b>1,777,332,517</b>
Less: Closing Stock	176,058,769	181,719,430
	<b>2,155,456,660</b>	<b>1,595,613,087</b>
<b><u>SCHEDULE-16</u></b>		
<b><u>GOODS TRADED IN</u></b>		
CTD-Bar	29,964,797	-
	<b>29,964,797</b>	<b>-</b>

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b><u>SCHEDULE-17</u></b>		
<b><u>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</u></b>		
Salary,Wages & Allowances	9,205,016	7,992,139
Bonus & Ex-gratia	322,230	291,808
Gratuity	91,884	66,604
Director's Remuneration	5,820,000	5,820,000
	<b>15,439,130</b>	<b>14,170,551</b>
<b><u>SCHEDULE-18</u></b>		
<b><u>MANUFACTURING &amp; ADMINISTRATIVE OVERHEAD :</u></b>		
Power & Fuel	199,019,067	178,154,374
Increase/Decrease in Excise Duty on Stock	661,047	1,443,947
Stores & Spares Consumed	19,474,487	16,612,653
Insurance	1,274,598	952,905
Rent, Rates & Taxes	2,486,801	2,318,343
Fuel, Repair & Maint. of vehicles	4,149,776	992,976
Donation	853,800	667,800
Miscellaneous Administrative Expenses	6,374,832	6,031,703
<b><u>Auditor's Remuneration :</u></b>		
-Statutory Audit Fee	70,000	55,000
-Tax Audit	30,000	25,000
-Taxation Matter	30,000	25,000
<b><u>Repair &amp; Maintenance to :-</u></b>		
-Plant & Machinery	1,762,459	467,325
-Building	293,646	116,182
others	53,330	166,901
	<b>236,533,843</b>	<b>208,030,109</b>
<b><u>SCHEDULE-19</u></b>		
<b><u>INTEREST AND FINANCING CHARGES:-</u></b>		
Interest on Working Capital Limit	20,776,184	20,786,623
Interest on Term Loan	2,421,049	2,638,378
Interest to Others	15,421,314	13,671,752
Bank Charges	1,359,469	2,798,549
	<b>39,978,016</b>	<b>39,895,302</b>
<b><u>SCHEDULE-20</u></b>		
<b><u>Selling &amp; Distribution Expenses</u></b>		
Brokerage & Commission	13,759,464	9,544,810
Service Tax Paid on Outward Freight	507,751	389,474
Freight & loading and unloading charges	28,871,506	20,983,471
Royalty Paid	1,000	1,000
Sales Promotion Expenses	3,881,283	235,335
Advertisement Expenses	25,052,900	4,296,382
Rebate& Discount	314,717	247,623
Sundry Balances W/Off	87,779	689,335
	<b>72,476,400</b>	<b>36,387,430</b>

**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 and 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.

**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.

A. Financial figures are rounded off to nearest rupees.

B. 1. **Contingent Liabilities : Claims Against the Company / Disputed demands not acknowledged as debts.**

Particulars	Rs.in Lacs	
	Current Year	Previous Year
Sales Tax	62.90	55.22
Income Tax	789.55	5.13
Excise Duty	1.02	3.17
Service Tax	38.55	0

C. NOTES

- Balance under the heads Unsecured Loans, Sundry Creditors, Sundry Debtors, Advances etc. as on 31.03.2011 are subject to confirmation. The amount of Sundry Debtors Rs.323100226 /- (P.Y.249488274 /-) are arrived after netting of advance from Debtors Rs.42599558 /- (P.Y. Rs. 30400876 /-) and Sundry Creditors Rs 215935026 /- (P.Y.Rs.222151848/-)are arrived after netting of advance from Suppliers Rs 21021834 /- (P.Y. Rs. 12213337 /-).
- Liability on account of Gratuity is provided for on the basis of actuary valuation made at the end of the Financial year. As per Actuary Valuation
- Advances Recoverable in cash or kind or for value to be received includes amount Rs.182.72 Lacs deposited against disputed cases.
- Additional Information Pursuant to the provisions of paragraphs (3) to (4D) of Part II of Schedule VI of the Companies Act, 1956.

1. **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	75471.505	62558.140
(b) M.S.Ingot	25,200	25,200	21751.305	20100.44
(c) Waste & Scrap (Arisen from manufacture of CTD Bars)	--	--	3196.790	2607.895
(d) Runner Risers (Arisen from manufacture of MS Ingot)	--	--	980.010	941.23

**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 :

Class of goods	(Rs. In Lacs)						
	Opening Stock		Production	Sales		Closing Stock	
	Qty in MT	Value	Qty in MT	Qty in MT	Value	Qty in MT	Value
CTD Bar & Waste Scrap	597.920	181.46	78668.295	78,726.620	25807.52	539.595	170.49
M.S. Ingot / Runner Risers	259.170	60.47	22731.315	22,544.445	2286.43	446.040	112.16
Stock In Process	48.000	11.45	-	-	0.000	48.000	12.68
<b>Previous Year</b>							
CTD Bar & Waste Scrap	441.490	118.53	65166.035	65,009.605	18956.30	597.920	181.46
M.S. Ingot / Runner Risers	148.405	34.28	21041.670	20,930.905	1972.96	259.170	60.47
Stock In Process	48.000	12.31	-	-	0.000	48.000	11.45
<b>Current Year Total</b>	<b>905.090</b>	<b>253.38</b>	<b>101,399.610</b>	<b>101,271.065</b>	<b>28093.96</b>	<b>1033.635</b>	<b>295.33</b>
<b>Previous Year Total</b>	<b>637.895</b>	<b>165.12</b>	<b>86207.705</b>	<b>85940.510</b>	<b>20929.27</b>	<b>905.090</b>	<b>253.38</b>

### Note

- Quantity of turnover of "CTD Bars and Waste Scrap" includes captive consumption waste & scrap 2421.175 MT. Previous year was 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 13944.555 & 967.660 MT respectively, previous year were 12469.830 MT & 730.715 MT.

## 3 Particulars in respect of Goods Traded in of Finished Goods :

Class of goods	(Rs. In Lacs)							
	Opening Stock		Purchase		Sales		Closing Stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
CTD Bar	1.27	0.39	874.010	299.648	875.280	301.291	0.000	0.00
<b>Previous Year</b>								
CTD Bar	10.49	3.2	0.000	0.00	9.220	2.78	1.27	0.39
<b>Current Year Total</b>	<b>1.27</b>	<b>0.39</b>	<b>874.010</b>	<b>299.648</b>	<b>875.280</b>	<b>301.291</b>	<b>0.000</b>	<b>0.000</b>
<b>Previous Year Total</b>	<b>10.490</b>	<b>3.20</b>	<b>0.00</b>	<b>0.00</b>	<b>9.220</b>	<b>2.78</b>	<b>1.27</b>	<b>0.39</b>

## 4 Analysis of Raw Material Consumed :

Class of Goods	(Rs. In Lacs)			
	Current Year		Previous Year	
	Qty in M.T.	Value (Rs.)	Qty in M.T.	Value (Rs.)
M.S. Ingot / Billets	80928.680	17712.37	67025.725	12662.53
M.S. Scrap & Sponge	25291.310	3842.20	23773.165	3293.60

### Note:-

- The consumption of M.S. Ingot includes 13944.56 MT of Captive Consumption from Own production.
- The consumption of M.S. Scrap includes 3388.835 MT of Captive consumption from own production. i.e 967.660 MT from Runner Riser and 2421.175 MT 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	0.00	0.00%	427.98	2.68%
Raw Material - Indigenous	21554.57	100.00%	15528.15	97.32%
Spares & Consumables - Imported	0.00	0.00%	0.00	0.00%
Spares & Consumables- Indigenous	194.74	100.00%	166.13	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 products 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**

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

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

Abhishek Jain	Sukhbir Singh Jain	Saroj Gupta
Hemlata Jain	Suresh Chand Jain	Vandana Jain
Kiran Mala Jain	Swati Jain	Disha Jain
Renu Jain	Tripti Agarwal	Kritika Jain
Sudha Jain	Uma 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	15046313	13097068
Unsecured Loans	105429736	74595463
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 recoverable amount does not arise.

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

	<u>Current Year</u>	<u>Previous Year</u>
Net Profit / (Loss) after Current Taxes	23270616	21106476
Weighted average number of equity shares of		
Rs.10 each as on 31.03.11	4221971	4221971
EPS (Rs.) -Basis	5.51	5.00

**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,2011 Subject to the consideration of prudence, timing differences are as under :-

	<u>Current Year</u>	<u>Previous Year</u>
<b>Deferred Tax Liabilities</b>		
On Diff. in WDV as per IT Act and as per Companies Act	12367191	12954629
<b>Deferred Tax Assets on:-</b>		
1 Gratuity	179467	156491
<b>Net Deferred Tax Liabilities</b>	<b>12187724</b>	<b>12798138</b>

**12 CIF Value of Import are as under :-**

<b>Class of Goods</b>	<u>Current Year</u>	<u>Previous Year</u> (Rs. In Lacs)
Raw Material	0.00	427.98

**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 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.

Signature to Schedule "1" To "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 : 10.08.2011**

**(Puneet Jain)**  
Whole Time Director

**(Harun Rashid Ansari)**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

( Amount in Rs. )

Sl.No.	Particulars	Year ended 31.3.2011	Year ended 31.3.2010
[ A ]	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax	34,785,141	32,323,370
	<b>Adjustments For :-</b>		
	Depreciation	13,358,280	12,368,739
	Interest Paid	38,618,547	37,096,753
	Loss on Sale of Vehicle	2,954,340	725,974
	<b>Operating Profit Before Working Capital Changes</b>	<b>89,716,308</b>	<b>82,514,836</b>
	<b>Increase ( Decrease ) in working Capital</b>		
	Trade & Other Receivables	(71,972,639)	24,928,147
	Inventories	(4,829,576)	(91,164,842)
	Trade Payables & Other Liabilities	7,365,632	68,909,605
	<b>Cash from Operation</b>	<b>20,279,725</b>	<b>85,187,746</b>
	Income Tax	(121,249,39)	(8270627)
	<b>Cash Flow Before Extraordinary Items</b>	<b>8,154,786</b>	<b>76,917,119</b>
	Income Tax Paid for earlier year	(258,306)	(539,818)
	<b>Net Cash From Operating Activities</b>	<b>7,896,480</b>	<b>76,377,301</b>
[ B ]	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase Of Fixed Assets	(28,423,428)	(18,829,405)
	Sale of Fixed Assets	7,547,736	6,290,000
	Investment	-	-
	<b>Cash Used in Investing Activities</b>	<b>(20,875,692)</b>	<b>(12,539,405)</b>
[ C ]	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(38,618,547)	(37,096,753)
	Increase in share capital (Calls in arrear)	-	1,000
	Proceeds From Long/ Short Term Borrowings	44,938,914	(34,955,008)
	<b>Cash Used/ Generated in Financing Activities</b>	<b>6,320,367</b>	<b>(72,050,761)</b>
	<b>Net Increase/ (Decrease) In Cash and Cash Equivalents</b>	<b>(6,658,845)</b>	<b>(8,212,865)</b>
	Cash and Cash Equivalents (Opening Balances)	13,468,243	21,981,108
	Cash and Cash Equivalents (Closing Balances)	7,108,398	13,768,243
	<b>Note to cash flow statement:</b>		
	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:		
	<b>Balance Sheet Amount</b>	6,709,398	6,463,522
	Cash in Hand		
	balance with banks:	400,000	6,062,336
	-Current Accounts	-	1,242,384
	-Others	7,109,398	13,768,243

**For S . Singhal & Co.**  
Chartered Accountants

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

Place : Bhiwadi  
Date : 10/08/2011

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

( 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, 2011 reported upon by us on 10th August 2011. 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 : 10.08.2011**



## ASHIANA ISPAT LIMITED

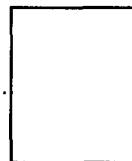
Regd Office : A-1116, Phase-III, RIICO Industrial Area, Bhiwadi-301 019, Distt. Alwar (Rajasthan)

### 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 19th Annual General Meeting of the Company to be held on **Friday, the 30<sup>th</sup> day of September, 2011 at 11.30 A.M.** or at any adjournment thereof.

Signed this.....day of.....2011

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.

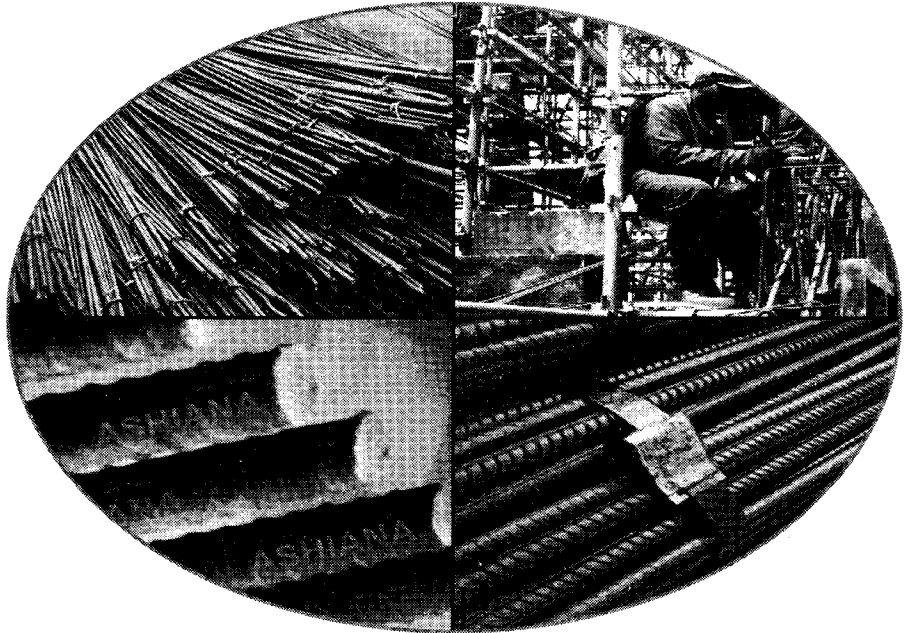
Name and Address of the Member	Folio No.
	Clint ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the 18th Annual General Meeting of the Compant at the Registered Office of the Company, on **Friday, the 30<sup>th</sup> day of September, 2011 at 11.30 A.M.**

Signature of the Shareholdert	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

Regd. Office & Works: A-1116.  
RIICO Industrial Area, Phase-III  
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