



ADITYA ISPAT LIMITED

Regd. Office : Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad - 500 055.

22nd ANNUAL REPORT 2012 - 2013

Board of Directors :

Shri Satya Bhagwan Chachan

Shri H.M. Dugar

Shri Sanjay Solanki

Shri Swamy S.B. Das

Chairman & Managing Director

Director

Director

Director

Auditors :

M/s. Dagliya & Co.

Chartered Accountants

5-5-9/13, 2nd Floor, Srinivasa Building,

Ranigunj, Secunderabad - 500 003.

Registered Office & Works :

Plot No. 20, Phase V,

IDA, Jeedimetla,

Hyderabad - 500 055.

e-mail : info@adityaispat.com

Website : www.adityaispat.com

Bankers :

Allahabad Bank

Balanagar Branch

Hyderabad - 500 018.

Registrar & Share Transfer Agents :

M/s. XL Softech Systems Private Limited

3 Sagar Society, Road No. 2,

Hyderabad - 500 034.

Tel : 040-23545913/14/15, Fax : 23553214

ISIN NO. INE037E01016

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Aditya Ispat Limited will be held on Saturday ,the 28th September, 2013 at 10.30 AM at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Abids, Hyderabad – 500 001 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2013 and the Balance Sheet as on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri. Sanjay Solanki, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED that M/s.Dagliya & Co, Chartered Accountants, Secunderabad the retiring auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedules XIII thereof as amended up to the date, consent of the members of the Company be and hereby accorded for the re- appointment of Shri Satya Bhagwan Chachan, as the Managing Director of the Company for a period of 5 years effective from 1st October, 2013 on the following terms and conditions.

1. Salary : Rs. 1,00,000/- per month.
2. Commission : At the rate of 1% of the net profit of the Company or 50% of the annual salary, whichever is less.
3. Perquisites : In addition to the salary and commission as stated above Shri Satya Bhagwan Chachan shall be entitled to the following perquisites.

CATEGORY – A

- a. Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
- b. Leave Travel Concession: For self and family once in a year subject to one month salary per year.
- c. Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- d. Personal Accident Insurance: Of an amount the premium of which not to exceed Rs. 4000/- per annum.

CATEGORY – B

- i. Contribution by the Company to Provident Fund, Superannuation Fund or Annuity fund as per the rules of the Company.
- ii. Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY – C

The Company shall provide a car with driver and a telephone at the residence. Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

"Resolved further that in the absence of or adequacy of profits in any financial year, the above remuneration will be paid as minimum remuneration in terms of Part II of Schedule XIII of the Companies Act, 1956."

Notes:

- i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
- ii. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
- iii. The Register of Members and Share transfer books of the Company will remain closed from 24th September, 2013 to 28th September, 2013 (both days inclusive).
- iv. Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate to the Company.
- v. Explanatory Statement under Section 173(2) of the Companies Act, 1956 for Item Nos. 4 are attached hereto.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

The members are aware that the Company was promoted by Shri Satya Bhagwan Chachan, Chairman of the Company keeping in view Mr. Chachan's efforts and his valuable contribution to the Company towards Company's growth and success, the Board of Directors at the meeting held on 31.08.2013 approved re-appointment of Shri Satya Bhagwan Chachan as Managing Director of the Company for a period of 5 years w.e.f 01.10.2013 which is subject to approval of members of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Shri Satya Bhagwan Chachan, himself is interested in the said resolution.

Place : Hyderabad

Date : 31.08.2013

By order of the Board of Directors

S.B.CHACHAN

CHAIRMAN & MANAGING DIRECTOR

BRIEF PROFILES OF DIRECTORS SEEKING RE-APPOINTMENT**1. Shri Sanjay Solanki:**

Shri Sanjay Solanki, 50, is a qualified Chartered Accountant, specialized in matters relating to financial restructuring and BIFR matters. In addition to the academic achievements, Shri Sanjay Solanki has developed a model for financial restructuring for Indian corporate. He is a member of Audit Committee and Investor Grievance Committee of the Company. He is also a Chairman of Audit Committee. He is also a Director of Pan Securities Ltd.

2. Shri S.B.Chachan

Shri S.B. Chachan, 59, is a qualified Chartered Accountant and Promoter of the Company. He has gained vast experience of Bright Steel Bar industry. He is also a director of Jai Bajji Ispat (P) Limited.

DIRECTORS' REPORT

To
The Members of Aditya Ispat Limited,
 Hyderabad

Your Directors take pleasure in presenting the Twenty Second Annual Report on the affairs of the Company for the financial year 2012-2013 together with the Audited Financial Statements and Report of the Auditors thereon.

BUSINESS PERFORMANCE:

Financial Results:

The overall performance of the Company for the financial year 2012-13 is summarized as under:

			(Rs. in Lakhs)	
S.No.	Particulars	2012-2013	2011-2012	
1.	Sales (Gross)	2184.55	1815.00	
	Less : Excise Duty	204.26	133.42	
		<hr/>	<hr/>	
	Sales (Net)	1980.29	1681.58	
2.	Other Income	1.71	1.56	
		<hr/>	<hr/>	
	Total Revenue	1982.01	1683.14	
3.	Gross Profit before Interest, Depreciation, & taxation	114.18	106.84	
4.	Interest/Financial Charges	65.71	59.52	
5.	Depreciation	14.70	15.29	
6.	Profit before tax	33.77	32.03	
	Less: Provision for current tax	8.49	8.60	
	Less : Provision for Deferred Tax	2.07	1.28	
	Net Profit(loss) after tax	23.21	22.15	
	Add: Balance from previous year	113.83	91.68	
		<hr/>	<hr/>	
	Surplus carried to Balance Sheet	137.04	113.83	

BUSINESS REVIEW

During the year 2012-13, the Company has posted a turnover of Rs 2184.55 lakhs as against Rs. 1815.00 lakhs in the previous year and has earned a net profit of Rs. 33.77 Lakhs before tax compared to previous year's profit of Rs. 32.03 lakhs.. There is an improvement in profitability due to increase in turnover and on account of cost effective means adapted by the management for production. However on account of inadequate profits, the Board has not recommended any dividend nor any transfer to reserves.

FUTURE OUTLOOK:

Indian Steel demand growth is expected to remain subdued due to slow down in investments and delayed start-up of industrial projects. However, the automotive / industrial segment, it is expected to grow by 11 to 13% in Financial year 2013-2014. As per world steel forecasts, steel demand in India should grow up by 6.9% in 2013 and the growth should accelerate to 9.4% in 2014.

Your Company has registered increase in sales Turnover as well as Profitability during the year under review. The company is making all efforts to improve the quality of its products, sales network and profitability

FINANCIAL RESOURCES

The company has arrangements with its Banker for cash credit limits of Rs 600 lacs to meets its working capital requirements.

DIRECTORS:

Shri Sanjay Solanki, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

1. That the accounting standards to the extent applicable to the Company have been followed in the preparation of the annual accounts and there are no material departures
2. That the accounting policies selected by the Board for the purpose of preparation and presentation of the financial statements have been and are being applied consistently and reasonable and prudent judgments and estimates (wherever applicable) have been made for the said purpose, so as to give a true and fair view of the affairs of the Company as at the end of the financial year under review and of the profit and loss for the said year.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.
4. That the annual Accounts have been prepared on a going concern basis.

AUDITORS:**Statutory Auditors**

M/s. Dagliya & Co, Chartered Accountants, Secunderabad, the Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Board recommends their reappointment.

Cost Auditors

Your Company had reappointed M/s Sagar & Associates, Cost Accountant, Hyderabad, as Cost Auditor, with the approval of the Central Government, for audit of cost records maintained by the Company for the financial year ended 31st March, 2013. The report of the Cost Auditor for the Financial Year ended 31st March 2013 is under finalization and will be filed with the MCA within the prescribed period.

LISTING :

The shares of your company are listed on Mumbai and Kolkata Stock Exchanges.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956:

There are no employees whose particulars are required to be disclosed pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

FIXED DEPOSITS:

During the year under review, the company has not accepted any deposits under Section 58A of the Companies Act 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, forming part of the Directors Report for the year ended 31st March, 2013 are as follows:

Conservation of Energy: The company's operations require low energy consumption. Adequate measures are taken to conserve energy wherever possible. The details required are attached herewith.

Technology Absorption:

- | | |
|--|-------------------------------|
| a. Research & Development and Development activity carried out by the Company during the year. | There is no specific Research |
| b. Technology Absorption | NIL |
| 3. Foreign Exchange Earning and Outgo | NIL |

CORPORATE GOVERNANCE:

The company has implemented the Code for Corporate Governance as stipulated under the revised Clause 49 of the Listing Agreement. A separate report on Corporate Governance is annexed to this report.

CODE OF CONDUCT

The Company has adopted a uniform Code of Conduct for Directors and Senior Management and above Officers level to ensure ethical standards and ensure compliance to the laid down standards.

DEMATERIALISATION OF SHARES:

M/s. X.L Softech Services Limited, Hyderabad were appointed as Depository Registrars for dematerialization of shares as well for transfer of physical shares were entrusted to them.

The ISIN of dematerialized share of the Company allotted by NSDL and CDSL is "INE570B01012."

ACKNOWLEDGEMENTS:

The Board takes this opportunity to express its deep gratitude for the continued co-operation and support received from its Bankers, State and Central Governments, the customers, share holders, business associates and employees during the year under review.

Place: Hyderabad.

Date : 31.08.2013

On behalf of the Board of Directors
Sd/-

S.B CHACHAN
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE – A TO THE DIRECTOR’S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE.**

Information required under section 217(1)(e) of the companies Act, 1956 read the Companies (disclosures of particulars in the Report of the Board of Directors) rules, 1988 with respect to these matters.

CONSERVATION OF ENERGY

Sl. No.	Particulars	For the year ended 31.03.13	For the year ended 31.03.12
A.	POWER AND FUEL CONSUMPTION		
1.	ELECTRICITY		
a.	Purchased		
	Units	80966	82100
	Amounts (Rs.)	741147	563715
	Rate per Unit(average)(Rs.)	9.15	6.80
b.	Own Generator		
i.	Through diesel Generator		
	Units	NIL	NIL
	Units per litre of Diesel	NIL	NIL
	Cost per Unit	NIL	NIL
ii.	Through Steam turbine / generator		
	Units	NIL	NIL
	Units per litre of fuel Oil/Gas	NIL	NIL
	Cost per Unit	NIL	NIL
2.	COAL (Specify quality and where used)		
	Quantity (Tonnes)	NIL	NIL
	Total Cost	NIL	NIL
	Average Rate	NIL	NIL
3.	FURNACE OIL		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
4.	OTHERS/INTERNAL GENERATION		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
5.	CONSUMPTION PER UNIT OF PRODUCTION		
	Production (Units) (M.T)	3156.86	2842.082
	Electricity (Rs.)	234.77	198.35
	Coal	NIL	NIL
	Furnace Oil	NIL	NIL
	Others	NIL	NIL

For and behalf of the Board of Directors

Place : Hyderabad
Date : 31st August, 2013

(S.B.CHACHAN)
Chairman & Managing Director

ANNEXURE – B**MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the revised Clause 49 of the Listing agreement , the Management Discussion and Analysis report covering the performance and outlook of the Company is given below:

A. INDUSTRY STRUCTURE AND DEVELOPMENTS :

Aditya Ispat Limited (Aditya) is one of the leading manufacturers of Bright Bars at Hyderabad and has produced 3156.86 Tons of Bright Bars during the year under review. This output is slated to grow inline with industry and commencement of manufacture of drawing wires in the coming years.

B. OUTLOOK – Global Steel Industry

Due to world wide recession the demand and price of Iron & Steel faced a downward trends. However Govt.of India increased spending in infrastructure and capital projects, Automobiles Sector is also showing signs of improvement. Therefore, the bright steel bar will find adequate market.

C. OPPORTUNITIES & THREATS**OPPORTUNITIES:**

- The demand of Bright Steel Bars is increasing and the company has opportunity to expand its capacities.
- The Company's M.O.U/ Long term relation with the main steel producers R.I.N.L. Vishakhapatnam give an edge over manufacturers of other states.
- Demand can be increased by spreading the areas of operations into other parts of the South and Western States.

THREATS:

- The Company is facing competition from small players.
- The Company is facing demand crunch due to Global recession in Steel Industry.

D. RISKS & CONCERNS :

- The Company is mainly dependent for its raw material requirement on R.I.N.L (a public sector undertaking). The pricing and availability of raw material is completely dependent on government policies.
- The competition from the small players from the unorganized sector posed a threat to its margins.

E. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

The Company has adequate internal control procedures with all safeguards for protection of assets and that all transactions are authorized, reported and recorded properly. The internal control procedures stem from continuous perusal of records and procedures by the Internal Auditors and the Audit Committee of Directors, who meet regularly. There are adequate Budgetary control mechanism established and practiced by the Company. The Code of Conduct also plays an effective role in utilization of energies of people involved.

F. FINANCIAL POSITION

- The Company has generated sales revenue of Rs. 2184.55 lakhs from manufacturing and trading revenues which is higher than last fiscal. The trend is expected to continue in current fiscal with increased working capital availability for the second half and foray into newer geographical areas. The revenues are likely to improve further in the next year.
- The cost reduction initiatives which were initiated continue to reap benefits in current year and the same will continue with larger economies of scale also.
- The Company has added fixed assets of Rs. 42.38 lakhs. The Gross block stood at Rs.443.35 lakhs with Net block of Rs. 322.7lakhs after depreciation. The capital work in progress stood at Rs 60.69 lakhs

G. CAUTIONARY STATEMENT :

Statement made in Management Discussion and Analysis report which seeks to describe the Objectives, projections, estimates, predictions may be considered to be forward looking statements and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied and are determined by many factors including global and domestic demand – supply conditions, process, raw materials availability, tax laws, governmental policies and other statutes which may affect actual results which may be different from what the Directors envisaged in terms of future performance and outlook.

REPORT ON CORPORATE GOVERNANCE:

Aditya Ispat Limited (Aditya) has implemented the revised Corporate Governance Code in accordance with the SEBI directives and has been consistently following the good governance practices in its day to day working while upholding the core values of transparency, integrity, honesty and accountability.

The information to be furnished under the Code is placed hereunder for the information of the stakeholders:

Company's philosophy on Code of Corporate Governance:

Aditya Ispat Limited (Aditya) philosophy of Corporate Governance stems from its belief that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders including shareholders. It enables the management to direct and control the affairs of the Company in an efficient manner thereby maximizing value for all stakeholders. Good Corporate Governance practice enables a company to attract financial and human capital and leverage these resources to maximize long term shareholders value.

BOARD OF DIRECTORS:**Composition of the Board:**

As on 31st, August, 2013, the Board of Directors consists of Four Directors. Three Directors are non executive and are independent. As 75 per cent of the Board consists of independent Directors, the composition of the Board is in consonance with revised Clause 49 of the Listing Agreement. None of the Directors on the Board is a member of more than 10 committees or act as a chairman of more than 5 committees across all companies in which he is director.

THE BOARD MEMBERS: (as on 31st August, 2013)

S.No.	Director	Category	No. of Directorships	Membership in Board Committees.
1.	Shri.S.B Chachan	Executive	2	--
2.	Shri Sanjay Solanki	Independent/ Non executive	1	3
3.	Swamy S.B Das	Independent/Non executive	1	3
4.	Shri.H.M. Dugar	Independent/Non executive	6	3

The Board formulates strategies, regularly reviews the performance of the Company and ensures that the targeted objectives are met on a consistent basis.

3. Board Meetings:

During the year 2012-2013, the Board of Directors met Five times on 14th May, 2012, 7th August, 2012, 31st August, 2012, 08th November, 2012, 05th February, 2013. The gap between any two successive Board Meetings did not exceed 4 months.

4. Directors Attendance:

Name of the Director	Board Meetings	Annual General Meeting
Shri.S.B Chachan	5	1
Shri Sanjay Solanki	5	1
Swamy S.B Das	4	1
Shri H.M Dugar	3	-

5. Information supplied to the Board:

Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

Quarterly and Half yearly results of the Company.

Minutes of the Audit Committee and other Committee meetings .

Details of Agreements

BOARD LEVEL COMMITTEES**A. Audit committee:**

The Audit committee which was constituted has met 5 times during the year 2012-13 on the following dates:

14.05.2012, 07.08.2012, 31.08.2012, 08.11.2012 & 05.02.2013

The Committee comprises of 3 Non- Executive Independent Directors and the attendance of each member of the said committee is as under:

Director	Designation	No. of meetings attended
Shri Sanjay Solanki	Chairman	5
Swamy S.B Das	Member	4
Shri H.M Dugar	Member	3

The terms of reference of the Audit committee include the following:

To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.

1. To oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. To hold periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.
3. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
4. To recommend the appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
5. To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
6. To make recommendations to the Board on any matter relating to the financial management of the Company.

B. Remuneration Committee:

During the year, the Remuneration Committee met one time on 14.05.2012.

The Committee comprises of 3 Non- Executive Independent Directors and the attendance of each member of the said committee is as under:

Director	Designation	No. of meetings attended
Shri H.M Dugar	Chairman	1
Swamy S.B Das	Member	1
Shri Sanjay Solanki	Member	1

The Remuneration Policy of the company is :-

- a) For Managing Director , the total remuneration consists of salary within the limits approved by the shareholders. No sitting fees is payable.
- b) Non- Executive Directors do not draw any remuneration from the company.

Details of remuneration to director for the year 2012-2013 is as follows:-

Name	Designation	Remuneration (Rs. In Lacs)
Shri S.B. Chachan	Managing Director	6

C. Investors' Grievance Committee:

The company has constituted a Investors' Grievance Committee which comprises of 3 Non-Executive Independent Directors. During the year it has met three times on 14.05.2012, 31.08.2012 and 05.02.13.

The details are mentioned hereunder:

Director	Designation	No. of meetings attended
Swamy S.B Das	Chairman	3
Shri H.M Dugar	Member	2
Shri Sanjay Solanki	Member	3

The brief terms of reference of the Investors' Grievance Committee are as under:

- To review the complaints/ grievances of the investors/ shareholders and resolve the same.
- To place the reports/ minutes before the Board.

Status of Complaints received / resolved :

The total number of letters/ complaints received is one which was replied to the satisfaction of shareholders. There are NIL complaints pending as at 31st March, 2013.

C. General Meetings:

The location and time of the Annual General Meetings held during the last 3 years are as follows:

No.of AGM	Date	Time	Venue	No.of Special Resolutions passed
19 th AGM	30.09.2010	10.30 AM	Rajasthani Graduates Association, Abids, Hyderabad	--
20 th AGM	29.09.2011	10.30.A.M	-Do-	1
21 st AGM	28.09.2012	10.30.A.M	-Do-	--

There were no resolutions placed before the Members to be passed by Postal Ballot.

D. Disclosures:

1. No. transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
2. There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
3. The Company is in compliance with all the mandatory requirements and has fulfilled the non-mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreements with Stock Exchanges to the extent of constitution of remuneration committee.
4. The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

"All the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2013."

Place: Hyderabad.
Date : 31st August, 2013

S.B CHACHAN
CHAIRMAN & MANAGING DIRECTOR

5. CEO Certification: The Managing Director and Chairman has given a certificate as contemplated in Clause 49 of the Listing Agreement.
6. The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.

E. Means of Communication:

The quarterly, half yearly and annual results of the company are regularly submitted to the stock exchanges wherever the shares of the Company are listed and the same are published in the leading newspapers and are also posted on Company's Website..

F. General Shareholder information:

a) Annual General Meeting

Date : 28th September, 2013.
Day : Saturday
Time : 10.30 A.M.
Venue : Rajasthani Graduates Association, Snatak Bhavan,
5-4-790/1, 1st Floor, Abids, Hyderabad - 500 001

b) For the year ended March, 2013, results were announced on:

First quarter ended June 30.06.12 : 07.08.2012
Second quarter ended September 30, 2012 : 08.11.2012
Third quarter ended December 31, 2012 : 05.02.2013
Fourth quarter ended March,31, 2013 : 30.05.2013

c) Book Closure:

The dates of book closure are from Tuesday, September 24th 2013 to Saturday, 28th September 2013 (both days inclusive)

d) Listing on Stock Exchanges:

As on March, 31st, 2013, the Company's shares are listed on the following Stock Exchanges:

1. Mumbai Stock Exchange Limited, Mumbai.
Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI- 400 001.

2. The Calcutta Stock Exchange Limited,
7, Lyons Range
KOLKATA- 700 001

The Company's stock code at Bombay Stock Exchange is **513513**.

- e. High and low quotations as well as the volume of shares traded at the Stock Exchange, Mumbai during each month of the financial year are given hereunder:

Month	High Rs.ps.	Low Rs.ps.	Volume
April, 2012	6.87	5.45	22323
May,2012	6.49	5.20	15857
June 2012	5.82	5.33	14454
July 2012	6.09	5.15	8398
August,2012	5.96	5.00	21448
September, 2012	6.02	5.00	24581
October, 2012	5.90	4.83	31374
November, 2012	4.92	4.05	23035
December, 2012	4.94	4.15	51664
January, 2013	4.95	3.82	48971
February, 2013	4.15	2.99	25680
March, 2013	3.12	2.35	25050

f) Name and address of the Share transfer agents:

M/s XL Softech Systems Private Limited
 3, Sagar Society, Road No. 2, Banjara Hills,
 Hyderabad – 500 034
 Tel No.: 23545913 Fax : 23553214
 SEBI Regn. No.: INE 037E01016

g) Distribution of Shareholding as on 31.03.2013

From (Rs)	To (Rs)	No.of holders	% to Total	Shares Amount (in Rs.)	% to Total
1	5000	6378	89.54	10726390	20.05
5001	10000	400	5.62	3474780	6.49
10001	20000	172	2.41	2739820	5.12
20001	30000	47	0.66	1212870	2.27
30001	40000	39	0.55	1401210	2.62
40001	50000	20	0.28	957160	1.79
50001	100000	35	0.49	2416800	4.52
100001	Above	32	0.45	30570970	57.14
TOTAL		7123	100%	53500000	100%

h) Shareholding Pattern as on 31.03.2013

Category	No.of Shares Held	% of Shares Holding
A. Promoters		
1) Promoters Indian Promoters	1198100	22.39
2) Foreign Promoters person acting in concert	NIL	NIL
Sub Total	1198100	22.39
B. Non Promoters Holding		
3) Institutional Investors		
a) Mutual Funds and UTI	—	—
b) Banks, Financial Institutions Insurance Non-Govt. Institutions	NIL	NIL
c) Foreign Financial Institutions	—	—
Sub Total	NIL	NIL
4) Others		
a) Private Bodies Corporate	1616828	30.22
b) Indian Public	2512493	46.96
c) Non Resident Indian	17924	0.34
d) Any Others (other clearing members)	4655	0.09
Sub Total	4151900	77.61
Grand Total	53,50,000	100.00

i. Dematerialisation of shares:

As on 31st March, 2013, 4592960 shares being 85.85% of the total number of 53,50,000 shares are in dematerialised form. The company's shares are compulsorily traded in dematerialised form.

j. As on the date of Directors' Report Company has no outstanding GDRs / ADRs or any other convertible instruments.

k) Location of Company's Registered Office and Address for Correspondence:

ADITYA ISPAT LIMITED
Plot No. 20, Phase V
I.D.A Jeedimetla ,
Hyderabad – 500 055.
Website:www.adityaispat.com
Email id:info@adityaispat.com

DAGLIYA & Co.

CHARTERED ACCOUNTANTS

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Aditya Ispat Limited

We have examined the compliance condition of corporate governance by Aditya Ispat Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the listing Agreement of the company with the Stock Exchanges.

The Compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that company has complied with the conditions of Corporate Governance as stipulated in above mentioned listing agreements.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share Transfer cum Investors Grievance Committee.

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.

For DAGLIYA & CO.
Chartered Accountants,
(ICAI Firm Reg.No. 671S)

Pace: Hyderabad
Date: 30th May, 2013

(JITENDRA KUMAR JAIN)
Partner
M.No:18398

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Ispat Limited
Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Ispat Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Pace: Hyderabad
Date: 30th May, 2013

For DAGLIYA & CO.
Chartered Accountants,
(ICAI Firm Reg.No. 671S)

(JITENDRA KUMAR JAIN)
Partner
M.No:18398

ADITYA ISPAT LIMITED
ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading of other legal and regulatory requirements of our report of even date)

1. In respect of fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no substantial fixed assets have been disposed off during the year. Therefore it has not affected the going concern status of the company.
2. In respect of inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (b),(c) and (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) As per the information & explanations given to us and in our opinion, there were no transactions entered into by the company with parties covered u/s 301 of the Act and exceeding the value of Rs. 5,00,000 in respect of any party during the year have been made by the Company.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues the bank. The company has not issued any debentures so far.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures or other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the basis of information given by the management, we report that the company has not raised any term loan during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. There were no debentures issued by the Company.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For DAGLIYA & CO.
Chartered Accountants,
(ICAI Firm Reg.No. 671S)

(JITENDRA KUMAR JAIN)
Partner
M.No:18398

Pace: Hyderabad
Date: 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amounts in Rupees)

PARTICULARS	Note No.	AS AT 31.03.2013	AS AT 31.03.2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2.01	53,500,000	53,500,000
(b) Reserves and Surplus	2.02	18,394,050	16,072,614
		<u>71,894,050</u>	<u>69,572,614</u>
2 Non-current Liabilities			
(a) Long Term Borrowings	2.03	257,326	679,282
(b) Other Long Term Provisions	2.04	202,138	194,943
(c) Deferred Tax Liabilities (Net)	2.05	2,793,275	2,586,450
		<u>3,252,739</u>	<u>3,460,675</u>
3 Current Liabilities			
(a) Short Term Borrowings	2.06	60,361,746	56,395,646
(b) Trade Payables	2.07	4,432,179	2,394,866
(c) Other Current Liabilities	2.08	4,483,232	3,280,291
(d) Short Term Provisions	2.09	79,701	7,195
		<u>69,356,858</u>	<u>62,077,998</u>
GRAND TOTAL		<u>144,503,647</u>	<u>135,111,287</u>
II ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
Tangible Assets	2.10	32,275,588	29,543,893
Capital Work in Progress		6,069,105	1,535,925
(b) Long-term Loans and Advances	2.11	244,083	272,754
		<u>38,588,776</u>	<u>31,352,572</u>
2 Current Assets			
(a) Inventories	2.12	46,828,260	47,404,646
(b) Trade Receivables	2.13	52,717,524	49,422,006
(c) Cash and Bank Balances	2.14	1,421,300	1,029,791
(d) Short-Term Loans and Advances	2.15	4,894,625	5,862,495
(e) Other Current Assets:	2.16	53,161	39,776
		<u>105,914,871</u>	<u>103,758,715</u>
GRAND TOTAL		<u>144,503,647</u>	<u>135,111,287</u>

Statement on Significant Accounting Policies & Notes on Financial Statements: 1 – 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Dagliya & Co.**

Chartered Accountants

(ICAI Firm Reg.No. 671S)

For and on behalf of the Board of Directors

(JITENDRA KUMAR JAIN)

Partner

M.No. 18398

(S.B. CHACHAN)

Chairman

Managing Director

(SANJAY SOLANKI)

Director

Place : Hyderabad

Date : 30th May, 2013

ADITYA ISPAT LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amounts in Rupees)

PARTICULARS	Note No.	For the Year ended 31.03.2013	For the Year ended 31.03.2012
REVENUE FROM OPERATIONS			
I Revenue from Operations	2.17	218,455,373	181,500,804
Less: Excise Duty		<u>20,426,036</u>	<u>13,342,734</u>
Revenue from Operations(Net)		198,029,337	168,158,070
II Other income	2.18	<u>171,328</u>	<u>155,667</u>
III Total Revenue		<u>198,200,665</u>	<u>168,313,737</u>
IV Expenses:			
a Cost of Material Consumed	2.19	152,231,895	114,861,323
b Purchase of Stock-in-Trade	2.20	23,252,123	29,761,293
c Changes in Inventories of Finished Goods and Stock-in-Trade	2.21	(5,807,028)	(1,626,074)
d Employees Benefit Expenses	2.22	2,037,079	2,214,519
e Finance Costs	2.23	6,570,549	5,951,380
f Depreciation	2.10	1,470,366	1,528,871
g Other Expenses	2.24	<u>15,068,626</u>	<u>12,419,164</u>
V Total Expenses		<u>194,823,610</u>	<u>165,110,477</u>
VI Profit Before Tax		<u>3,377,055</u>	<u>3,203,260</u>
VII Tax Expense			
a Current Tax	2.25	848,794	859,596
b Deferred Tax		<u>206,825</u>	<u>128,627</u>
Profit For The Year		<u>2,321,436</u>	<u>2,215,037</u>
Earnings Per Equity Share (Basic & Diluted)	2.29	0.43	0.41

Statement on Significant Accounting Policies & Notes on Financial Statements : 1 – 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Dagliya & Co.**

Chartered Accountants

(ICAI Firm Reg.No. 671S)

For and on behalf of the Board of Directors

(JITENDRA KUMAR JAIN)

Partner

M.No. 18398

(S.B. CHACHAN)

Chairman

Managing Director

(SANJAY SOLANKI)

Director

Place : Hyderabad

Date : 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Amounts in Rupees)

	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
A CASH FLOW FROM OPERATING ACTIVITIES:		
1 Net profit before Tax & Extraordinary items	3,377,055	3,203,260
2 Adjustments for:		
a Depreciation	1,470,366	1,528,871
b Interest & Finance Cost	6,297,876	5,764,910
c Interest Income	(81,328)	(65,667)
d Loss on Sale of Asset	6,069	53,556
Operating Profit before Working Capital Changes	11,070,038	10,484,930
3 Adjustments for:		
a Trade Receivables	(3,295,518)	(5,564,864)
b Short Term Loans & Advances & Other Current Assets	890,703	1,470,928
c Long Term Loans & Advances	28,671	(84,846)
d Inventories	576,386	(1,400,056)
e Long Term and Short Term Provisions	34,998	25,261
f Trade Payables and Other Current Liabilities	3,240,254	818,259
Cash Generated from Operations	12,545,532	5,749,613
Less: Direct Taxes paid	(804,091)	(809,766)
Net Cash from Operating Activities	11,741,441	4,939,847
B CASHFLOW FROM INVESTING ACTIVITIES		
a Addition to Fixed Assets including CWIP	(8,771,310)	(3,247,038)
b Sale Proceeds of Fixed Assets	30,000	160,000
c Interest Received	81,328	65,667
Net Cash used in Investing Activities	(8,659,982)	(3,021,371)
C CASH FLOW FROM FINANCING ACTIVITIES		
a Interest & Finance Cost paid	(6,297,876)	(5,764,910)
b Proceeds from Long Term & Short Term Borrowings	3,544,144	3,777,240
c Proceeds from issue of Shares	-	-
Net cash used in Financial activities	(2,753,732)	(1,987,670)
Cash flow during the year	327,726	(69,194)
Cash and cash equivalents at the beginning of the year	311,912	381,106
Cash and cash equivalents at the end of the year	639,638	311,912
Components of cash and cash equivalents :		
Balance with banks in Current Accounts	35,585	93,099
Cash on hand	604,053	218,813
	639,638	311,912

Note: i) Figures in bracket represent outflow.

ii) Previous year figures have been regrouped/ rearranged to conform to the current year's classification, wherever necessary.

iii) The above Cash Flow Statement as been prepared under indirect method as set out in Accounting Standards-3 Cash Flow Statement.

As per our report of even date attached

For **Dagliya & Co.**

Chartered Accountants
(ICAI Firm Reg.No. 671S)

(JITENDRA KUMAR JAIN)

Partner
M.No. 18398

Place : Hyderabad
Date : 30th May, 2013

For and on behalf of the Board of Directors

(S.B. CHACHAN)

Chairman
Managing Director

(SANJAY SOLANKI)

Director

ADITYA ISPAT LIMITED

Note :1

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- a. **Basis of accounting:** The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, except otherwise mentioned. The accounting policies have been consistently applied by the Company and are consistent with those in the previous years.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

- b. **Fixed Assets:** Fixed Assets are stated at cost net of Cenvat less accumulated depreciation and impairment loss, if any. All costs till commencement of commercial production attributable to fixed assets are capitalised.
- c. **Capital work in Progress:** All expenditure, including advance given for capital expenditure are accumulated and shown as capital work in progress until the assets are ready for commercial use. Assets under construction are not depreciated.
- d. **Depreciation on Fixed Assets** (Other than lease hold land) is provided on straight line method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956 on pro-rata basis.
- e. **Impairment of Assets:** The carrying amount of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value i.e net selling price or value in use, whichever is higher. An impairment loss, if any, is charged to profit & loss account in the year in which an asset is identified as impaired.
- f. **Inventories:** Inventories are valued at cost or net realisable value whichever is less except scrap, which is valued at estimated realisable value. Excise duty on goods manufactured by the company is included as part of valuation of finished goods. Cost is determined using FIFO basis.
- g. **Turnover:** Turnover is inclusive of sales tax and excise duty collected.
- h. **Taxes on Income:** Provision for Income Tax is made for both current and deferred taxes. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Tax resulting from 'timing difference' between the book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

i. Retirement and other Employee Benefits:

- a. **Defined Contribution Plans :** The company makes defined contribution to E.S.I Scheme, which is recognised in the statement of profit & loss on accrual basis.
- b. **Defined Benefit Plan:** Gratuity is a defined benefit scheme and is accounted based on actuarial valuation at the balance sheet date, carried out once in three years by an independent actuary.
- c. **Short Term Employee Benefits:** All employee benefits which are wholly due within twelve months of rendering the services are recognised in the period in which the employee rendered the related services.

j. Provisions, Contingent Liabilities and Contingent Assets: The company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognised nor disclosed in the financial statements

ADITYA ISPAT LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note No.	PARTICULARS	As at 31 March, 2013 Rs.	As at 31 March, 2012 Rs.
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2.01 SHARE CAPITAL:

The authorised, issued, subscribed and fully paid up capital comprises of equity shares having par value of Rs. 10 each as follows :

a Authorised:

6010000 (P.Y 6010000) Equity Shares of Rs.10/- each 60,100,000 60,100,000

b Issued Subscribed & Paid Up

5350000 (P.Y 5350000) Equity Shares of
Rs.10/- each fully paid up 53,500,000 53,500,000

53,500,000 53,500,000

c Reconciliation of number of shares outstanding is set out below :

	As at 31 March, 2013	As at 31 March, 2012
At the beginning of the year	5,350,000	5,350,000
Issued during the year	--	--
At the end of the reporting year	5,350,000	5,350,000

d Shareholders holding more than 5% equity shares are set out below;

Name of Shareholders	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S D Chachan Commercial Pvt Ltd	512,100	9.57%	512,100	9.57%
Chachan Consultancy Pvt Ltd	415,800	7.77%	415,800	7.77%
P S Credit & Trading Pvt Ltd	301,427	5.63%	301,427	5.63%

- e** The Company has only one class of shares, i.e. equity shares having face value of Rs 10 per share. Each holder of equity is entitled to one vote per share.

2.02 RESERVE & SURPLUS:**a Capital Reserve**

At the beginning of the year 4,190,190 4,190,190

Additions during the year - -

At the end of the year 4,190,190 4,190,190

b Securities Premium

At the beginning of the year 500,000 500,000

Additions during the year - --

At the end of the year 500,000 500,000

c Surplus in Statement of Profit & Loss

At the beginning of the accounting period 11,382,424 9,167,387

Additions during the year 2,321,436 2,215,036

(balance in statement of Profit & Loss A/c.)

At the end of the accounting period 13,703,860 11,382,424

GRAND TOTAL **18,394,050** **16,072,614**

As at 31 March, 2013 As at 31 March, 2012
Rs. Rs.

NON-CURRENT LIABILITIES**2.03 Long Term Borrowings****Secured Loans**

Vehicle Loan from Banks (Secured against hypothecation of vehicles)	257,326	679,282
	-----	-----
	257,326	679,282

Terms of Repayment

Vehicle loans are repayable in equal monthly instalments over the term of the loan ranging to 3 years.

2.04 Other Long Term Provisions

Due to employees

	As at 31 March, 2013	As at 31 March, 2012
	202,138	194,943
	-----	-----
	202,138	194,943

2.05 Deferred Tax Liabilities (Net)

Major components of Deferred Tax (Assets) / Liabilities consist of the following

PARTICULARS	As at 31.03.13	Movement during the year	As at 31.03.12
Relating to Fixed Assets Provision for Gratuity	2,868,538 (75,263)	219,627 (12,802)	2,648,911 (62,461)
Deferred Tax Liabilities (Net)	2,793,275	206,825	2,586,450

Current Liabilities**2.06 Short-Term Borrowings:**

Secured Loans from banks :

Cash Credit from Allahabad Bank

(Secured against hypothecation of Stocks & FDR)

	As at 31 March, 2013	As at 31 March, 2012
	60,361,746	5,63,95,646
	-----	-----
	60,361,746	5,63,95,646

2.07 a Trade Payables

- Due to Micro and Small Enterprises

- Others Payables

	-	-
	4,432,179	23,94,866
	-----	-----
	4,432,179	23,94,866

- b** There are no micro, small and medium enterprises to whom the company owes dues which are outstanding for more than 45 days from the balance sheet date. The micro, small and medium enterprises have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

As at 31 March, 2013 As at 31 March, 2012
Rs. Rs.

CURRENT ASSETS**2.12 Inventories:**

(As taken, valued & Certified by the Management
and accepted by the Auditors)

(Valued at lower of cost or net realisable value)

Raw Material	31,799,416	37,748,405
Finished Goods	7,543,667	6,011,341
Trading Goods	6,385,474	3,019,440
Scrap	694,231	569,490
Tools, Dies & Consumables	405,472	55,970

	46,828,260	47,404,646
--	------------	------------

2.13 Trade Receivables:

(Unsecured & Considered Good unless otherwise stated)

i Debts Outstanding for more than 6 months	3,042,964	2,503,462
ii Other Debts	49,674,560	46,918,544

	52,717,524	49,422,006
--	------------	------------

2.14 Cash & Bank Balances :

a Cash & Cash Equivalents :

i Balance with Banks		
- Current Account	35,585	93,099
ii Cash on Hand	604,053	218,813
	639,638	311,912

b Other bank balances

- Fixed Deposits (Pledged with Banks)	781,662	717,879
---------------------------------------	---------	---------

	1,421,300	1,029,791
--	-----------	-----------

2.15 Short term loans & advances:

(Unsecured & considered good unless otherwise stated)

Advances Recoverable in Cash or in Kind for value to be received

Advance to Others	77,582	107,999
Advance Income Tax (Net)	-	29,118
Advance to Suppliers	1,138,329	535,433
Advance to Suppliers - Capital Goods	121,000	-
Advances to Employees	43,656	9,100
Deposit with Suppliers	158,000	431,000
Income Tax Refundable	119,661	96,975
Interest Receivable	9,428	5,079
Balances with Government Authorities	3,226,969	4,647,791

	4,894,625	5,862,495
--	-----------	-----------

2.16 Other Current Assets:

Prepaid Expenses	53,161	39,776
------------------	--------	--------

	53,161	39,776
--	--------	--------

(Amount in Rupees)

	For the year ended 31.03.2013	For the year ended 31.03.2012
2.17 Revenue from operations		
Sales		
- Bright bars	159,519,925	131,372,648
- Traded Steel Rounds & Bars	22,487,246	33,612,411
- Others	36,448,202	16,515,745
	218,455,373	181,500,804
2.18 Other Income:		
Interest on Deposits	81,328	65,667
Other Income	90,000	90,000
	171,328	155,667
2.19 Cost of Materials Consumed:		
- Steel bars	121,107,892	96,363,328
- Wire Rod Coil	24,383,729	18,007,723
- Others	6,740,273	490,272
	152,231,895	114,861,323
The above materials consumed are 100% Indigenous		
2.20 Purchase of Stock-in-Trade		
Purchases during the year	23,252,123	29,761,293
	23,252,123	29,761,293
2.21 Changes in Inventories of Finished Goods and Stock-in-Trade		
At the beginning of the accounting period		
- Scrap	569,490	620,085
- Stock-in-Trade	3,019,440	4,259,749
- Finished Goods	6,011,341	3,511,659
	9,600,271	8,391,493
Less : Excise duty payable	783,927	417,296
	8,816,344	7,974,197
At the end of the accounting period		
- Scrap	694,231	569,490
- Stock-in-Trade	6,385,474	3,019,440
- Finished Goods	7,543,667	6,011,341
	14,623,372	9,600,271
	(5,807,028)	(1,626,074)

(Amount in Rupees)

	For the year ended 31.03.2013	For the year ended 31.03.2012
2.22 a Employees Benefits Expenses		
Salaries, Wages & Bonus	1,277,075	1,473,663
Director's Remuneration	600,000	600,000
Staff Welfare Expenses	47,886	49,746
Contribution to E.S.I	52,120	49,146
Gratuity	41,432	25,261
Leave Encashment	18,566	16,703
	-----	-----
	2,037,079	2,214,519

b. The following table sets out the status of the gratuity plan(non-funded) as required under AS 15 (Revised)

b.i Profit & Loss Account	For the year ended 31.03.2013	For the year ended 31.03.2012
Current Service Cost	25,261	(1,440)
Interest Cost on benefit obligation	16,171	11,006
Expected return on plan assets	Nil	Nil
Net Actuarial (gain)/ loss recognized in the year	-	15,695
	41,432	25,261
Past Services Cost	-	-
Net Benefit expenses	41,432	25,261

b.ii Balance Sheet

Details of provision for Gratuity
Changes in the present value of the defined
benefit obligation are as follows:

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Defined Benefit obligation	202,138	1,76,877
Interest Cost	16,171	11,006
Current Service Cost	25,261	(1,440)
Benefits Paid	-	-
Actuarial (gains)/losses on obligation	-	15,695
Closing defined benefit obligation	243,570	2,02,138

b.iii The principal assumptions used in determining gratuity and post employment medical benefit obligations for the company's plans are shown below:

Assumptions	%	%
Salary Rise	4	4
Discount rate	8	8
Attrition Rate	5	5
Av Balance Service	23.83 years	

(Amount in Rupees)

	For the year ended 31.03.2013	For the year ended 31.03.2012
2.23 Financial Costs:		
Interest	6,205,347	5,718,918
Bank Charges	272,673	186,470
Finance Charges	92,529	45,992
	-----	-----
	6,570,549	5,951,380
2.24 Other Expenses:		
A Manufacturing Expense :		
Tools, Dies & Consumables	1,107,492	1,355,873
Power & Fuel	741,147	563,715
Repairs & Maintenance to Plant & Machinery	198,935	249,810
Material Handling Charges	84,770	60,021
	-----	-----
(A)	2,132,344	2,229,419
B Administrative & selling expenses		
Postage, Telephone & Telegram	98,848	112,203
Rent	180,000	180,000
Rates & Taxes	101,019	108,474
Printing & Stationery	42,993	62,779
Travelling Expenses	166,881	239,735
Legal & Professional Charges	98,730	92,040
Loss on sale of assets	6,069	53,556
Miscellaneous Expenses	547,272	466,572
Bad debts w/off	103,676	-
Sales Tax	10,341,511	7,612,421
Repairs & Maintenance to Other Assets	215,960	442,038
Repairs & Maintenance to Building	9,550	
ED on Finished Goods	962,774	783,927
Audit Fees	61,000	36,000
	-----	-----
Total (B)	12,936,283	10,189,745
	-----	-----
Grand total (A+B)	15,068,626	12,419,164
2.25 Current Tax		
Current Tax	842,360	780,648
Less: MAT Credit Entitlement Account	--	78,948
Add: Income Tax for earlier years	6,434	--
	-----	-----
	848,794	859,596
	-----	-----

ADITYA ISPAT LIMITED

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

2.26 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1108475/- (P.y Rs.Nil)

2.27 Contingent Liabilities not provided for – Rs. NIL (PY Rs.NIL)

2.28 Auditor's remuneration:

(Amount in Rupees)

	F.Y 2012-2013	F.Y 2011-2012
A) Statutory Auditor		
(a) Statutory Audit Fees	24000	24000
(b) Tax Audit fees	12000	12000
B) Cost Auditor	25000	
Total	61000	36000

(c) Professional Charges includes a sum of Rs 742 (PY Rs Nil) toward certification charges.

2.29 Earnings per share (EPS): Earning/Loss per share in accordance with Accounting Standard 20(AS-20) issued by the Institute of Chartered Accountants of India:

Amount in Rs.

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Net Profit/Loss after Tax	23,21,436	22,15,037
Weighted Average no.of Eq Shares	53,50,000	53,50,000
Earning/(Loss) per share (Basic/Diluted) (Face value of each share is Rs.10/-)	0.43	0.41

2.30 Managerial Remuneration

Particulars	For the year ended 31-03-13	For the year ended 31-03-12
Remuneration to Managing Director	6,00,000	6,00,000

2.31 Related party Disclosures: Disclosures as required by the Accounting Standard (AS-18) "Related party Disclosures" are given here in below:

i. Names of related parties and description of relationship:

- a. Associates : Jai Bajji Ispat (P) Ltd.
- b. Key Management Personnel : Shri Satya Bhagwan Chachan – Managing Director
- c. Relatives of Key Management Personnel : Smt. Usha Chachan

ii. Related Party Transactions:

(Amount in Rs.)

Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent paid S.B.Chachan		90,000 (90,000)		90,000 (90,000)
Usha Chachan	-	90,000 (90,000)		90,000 (90,000)
Rent Received Jai Bapji Ispat (P) Ltd	90,000 (90,000)		90,000 (90,000)	
Remuneration S.B.Chachan	-- (-)	6,00,000 (6,00,000)	-- (-)	6,00,000 (6,00,000)

* Figures in brackets represent previous year figures.

2.32 The minimum lease rentals outstanding as on 31st March, 2013 in respect of the assets taken on finance lease:

(Amount in Rupees)

Due	Total Minimum Lease Payments Outstanding as on 31.03.2013	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	4,21,956.00	52,270.80	3,69,685.20
Later than one year and not later than five years	2,57,326.00	10,075.47	2,47,250.53
Later than five years	---	---	---
Total	6,79,282.00	62,346.27	6,16,935.73

2.33 The company has carried out an impairment test as per 'Accounting Standard – 28' issued by I.C.A.I on all the assets and no provision was found to be required towards impairment of assets for the period ending 31st March, 2013.

2.34 The company does not have any non cancelable lease arrangements. Office premises are taken on operating lease and such lease rentals are charged to revenue on accrual basis

2.35 The company is engaged in the manufacture of single product i.e Bright Bars and its activities are confined to India. Hence there are no reportable segments of the Company.

2.36 Balances under the head trade receivables, long term loans & advances, short term loans & advances, trade payables and other current liabilities are subject to confirmation from the respective parties.

- 2.37** Previous year figures have been regrouped/ recasted/ reclassified/ re-arranged wherever deemed necessary to conform to current year's classification.
- 2.38** Short term and long term loans & advances are approximately of the value as stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amount considered reasonably necessary.
- 2.39** Amounts, due and outstanding, to be credited to Investor Education and Protection Fund as on 31st March, 2013 - Nil. (p.y Nil).
- 2.40** Earnings/Outgoings in foreign currency:
- Earnings : Rs. Nil (Previous year Nil)
- Outgo : Rs. Nil (Previous year Nil)

As per our report of even date attached

For **Dagliya & Co.** **For and on behalf of the Board of Directors**

Chartered Accountants
(ICAI Firm Reg.No. 671S)

(JITENDRA KUMAR JAIN)

Partner
M.No. 18398

(S.B.CHACHAN)

Chairman
Managing Director

(SANJAY SOLANKI)

Director

Place : Hyderabad

Date : 30th May, 2013

ADITYA ISPAT LIMITED

Regd Office & Works : Plot No. 20, Phase V
I.D.A. Jeedimetla, Hyderabad - 500 055.

Folio No.:

NOMINATION FORM

(To be filled by individual applying singly or jointly. If jointly, only up to two persons)

FORM 2B

(see rules 4CCC and 5D)

I/Weand.....the

holders of Shares bearing number (s) of **ADITYA ISPAT LIMITED** wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my/our death.

Name and Address of Nominee

*** Nominee and Address of Guardian**

Name : _____

Name : _____

Address : _____

Address: _____

Date of Birth * :

(*To be furnished in case the nominee is a minor)

Details of Shareholders :

Signature : _____

Signature : _____

Name : _____

Name : _____

Address : _____

Address : _____

Date : _____

Date : _____

Details of two Witnesses :

Name and Address

Signature with date

1.

2.

FOR OFFICE USE ONLY

Nomination Registration Number :

Date of Registration :

Checked by :

Please see instructions overleaf

(MEMBERS, HOLDING SHARES IN PHYSICAL FORM, MAY USE THIS FORM. MEMBERS, HOLDING SHARES IN ELECTRONIC FORM, MAY CONTACT THEIR CONCERNED DEPOSITORY PARTICIPANTS FOR NOMINATION.)

INSTRUCTIONS :

1. The nomination will be registered only when it is complete in all respects including the signature of : (a) all registered holders (as per the specimen lodged with the company) and (b) the nominee.
2. The Nomination can be made by individuals only holding shares on their own behalf, singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder.
5. A Non-resident Indian can be a nominee on repatriable basis.
6. Transfer of shares in favour of a nominee shall be valid discharge by the Company against the legal heir. Whenever the Shares in the given folio are entirely transferred or transposed with some other folio., then this nomination will stand rescinded.
7. Only one person can be nominated for a given folio.
8. Details of all holders relating to a single folio should be filled; else the request will be rejected.
9. Upon the receipt of a duly executed nomination form the company will register it and allot a registration number. The registration number and folio number should be quoted by the nominee in all future correspondence.
10. The nomination can be varied or cancelled by executing a fresh nomination form.
11. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.

ADITYA ISPAT LIMITED

Regd Office & Works : Plot No. 20, Phase V
I.D.A. Jeedimetla, Hyderabad - 500 055.

PROXY FORM

Number of shares held : _____ Ledger folio/Depository A/c. No.: _____
I/We : _____ of : _____
in the district of _____ being a member/members of the above named
company hereby appoint _____ of: _____ in the district
of _____ as my/our proxy to vote for me/us on my/our behalf at the
22nd Annual General Meeting of the Company, to be held on Saturday, the 28th day of September, 2013 at
10.30 A.M. at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Lane Opp. G. Pulla
Reddy Sweets, Abids, Hyderabad - 500 001 and at any adjournment thereof.

Signed this the _____ day of _____ 2013.

Signature _____

NOTE : The instrument of Proxy shall be deposited at the Registered Office
of the company not less than 48 hours before the time of holding the meeting.

A PROXY NEED NOT BE A MEMBER.

Revenue Stamp

ADITYA ISPAT LIMITED

Regd Office & Works : Plot No. 20, Phase V
I.D.A. Jeedimetla, Hyderabad - 500 055.

ADMISSION CARD

PLEASE COMPLETE THIS CARD AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 22nd Annual General Meeting of the company on Saturday, the 28th day of
September, 2013 at 10.30 A.M. at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Lane
Opp. G. Pulla Reddy Sweets, Abids, Hyderabad - 500 001

Share Ledger Folio No.: _____ No. of Shares Held _____

Member's Name (in block letters): _____

Name of the Proxy (in block letters): _____

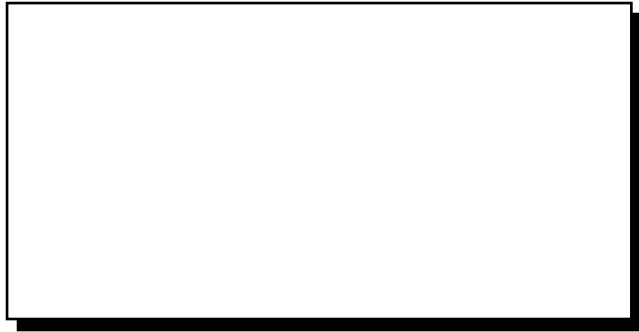
Member's/Proxy Signature *

* to be signed at the time of handing over the slip.

NOTE : Shareholders are requested to bring their Annual Reports as no arrangements will be made to give
additional copies.

BOOK-POST
PRINTED MATTER

To



If undelivered, please return to :


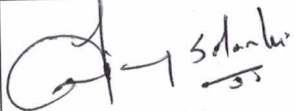

ADITYA ISPAT LTD.

Regd. Office & Works :

Plot No. 20, Phase V, IDA,

Jeedimetla, Hyderabad - 500 055.

FORM A

1.	Name of the Company	ADITYA ISPAT LIMITED
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Unqualified
4	Frequency observation	Unqualified since financial year ended 31.3.2009
5	To be signed by CEO /MANAGING DIRECTOR	 (S.B.Chachan) Managing Director
	CFO	The Company does not have CFO
	Audit Committee Chairman	 (Sanjay Solanki)
	Auditor of the Company	M/s Dagliya & Co Chartered Accountants (ICAI Firm Reg.No. 671S)  (Jitendra Kumar Jain) Partner Membership No. 18398