



# ADITYA ISPAT LIMITED

CIN : L27109TG1990PLC012099

Mfrs. of : BRIGHT BARS & SHAFTINGS

Dealers in : All Kinds of IRON and STEEL

Regd. Office & Works. : Plot No.20, Phase - V, I.D.A, Jeedimetla, Hyderabad - 500055

To  
The Deputy Manager  
Dept. of Corporate Services  
The Bombay Stock Exchange Ltd  
P.J.Towers, Dalal Street  
MUMBAI - 400 001

31.08.17

**Ref: 1.Scrip Code No. 513513**

**Sub : Submission of Annual Reports for the Financial Year ended 31.03.17.**

Sir / Madam,

With reference to above, please find enclosed herewith in accordance with the Regulation 34 of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, Annual Reports for the Financial year ended March 2017. This is for your kind consideration.

Please take the above intimation on records and acknowledge the receipt of the same.

Thanking You

Yours faithfully  
For ADITYA ISPAT LIMITED

*M.N. Soni*

Mahendra Natverlal Soni  
Compliance Officer/Company Secretary



# **ADITYA ISPAT LIMITED**

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

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**2016 - 2017**

# I N D E X

<b>CONTENTS</b>	<b>Page No.</b>
Notice	2
Directors' Report	7
Particulars of Employees	14
Secretarial Audit Report	16
Extract of Annual Return (MGT-9)	19
Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo	29
Management Discussion and Analysis	31
Report on Corporate Governance	34
<b>FINANCIAL STATEMENTS</b>	
Independent Auditor's Report	45
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow	52
Notes	53

**Board of Directors :**

Shri Satya Bhagwan Chachan	Chairman & Managing Director (DIN : 00080463)
Shri H.M. Dugar	Director (DIN : 00572246)
Shri Sanjay Solanki	Director (DIN : 02378551)
Shri Swamy S.B. Das	Director (DIN : 01932558)
Smt. Usha Chachan	Director (DIN : 02304178)
Shri S.K. Kabra	Director (DIN : 01280980)

**Chief Financial Officer :**

Smt. Alphonsa Domingo

**Company Secretary :**

Shri Mahendra N. Soni

**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  
CIN : L27109TG1990PLC012099

**Bankers :**

City Union Bank Ltd.  
Ameerpet Branch, Hyderabad - 500 016.

**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  
E-mail : xlfield@gmail.com  
ISIN NO. INE037E01016



## ADITYA ISPAT LIMITED

CIN NO. L27109TG1990PLC012099

**Registered Office:** Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad – 500 055, India

Website : [www.adityaispat.com](http://www.adityaispat.com) | Email: [info@adityaispat.com](mailto:info@adityaispat.com) |

Phone:+914023773675, Fax: +914023746169

### NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of the Company will be held at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1<sup>st</sup> Floor, Abids, Hyderabad – 500 001 on Monday, 25<sup>th</sup> September, 2017 at 10.30 A.M. to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2017, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri S.K.Kabra (DIN:01280980), who retires by rotation, and being eligible, offers himself for reappointment.
3. Appointment of Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. DCM & Co., Chartered Accountants having Firm Registration No.013189S, be and are hereby appointed as the Auditors of the Company in place of the retiring auditors, M/s. Dagliya & Co, Chartered Accountants, for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2022, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the appointment of M/s. DCM & Co., Chartered Accountants, as the Auditors of the Company shall be subject to ratification by the Members of the Company at every subsequent Annual General Meeting (as applicable under the Companies Act, 2013) held after this Meeting.

By order of the Board

Sd/-

S.B.Chachan

Chairman & Managing Director

Place:Hyderabad

Dated : 14.08.2017

#### Notes:

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and, to vote instead of himself/herself. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited with the Company not less than forty-eight hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. In accordance with the Companies Act, 2013 read with the Rules, the Notice of the AGM along with the Annual Report for 2016-2017 are sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For

members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 (both days inclusive) for the purpose of AGM.
4. Details pursuant to the Regulations 26(4) and 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of the Directors seeking appointment /re-appointment at the Annual General Meeting, forms integral part of the Notice.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders, attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is now available to INDIVIDUALS holding shares in the company. Member holding shares in the physical form may obtain the Nomination Form from the Company or its RTA or can download the form from the Company's website viz. [www.adityaispat.com](http://www.adityaispat.com). Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

8. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies Act, 2013, the Company is pleased to provide members' facility to exercise their right to vote at 26<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).

- I. The instructions for members for voting electronically are as under:-
  - (i) The voting period begins on Thursday, 21<sup>st</sup> September (9.00 A.M. IST) and ends on Sunday, 24<sup>th</sup> September, 2017 (5.00P.M IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18<sup>th</sup> September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the **ADITYA ISPAT LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. You can update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(S).
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of 18<sup>th</sup> September 2017.
- IV. **Poll Process at AGM**
- The voting on the agenda items shall be done by e-voting as well as by Poll. Those who do not exercise the option of e-voting shall be entitled to participate and vote at the Poll to be conducted at the venue of the AGM on the date of the meeting. Ballot forms will be issued immediately after an announcement in this regard by the Chairman of the Meeting. The number of votes will be equivalent to the number of shares held by them as on cut-off date of 18<sup>th</sup> September 2017.
- V. Mr. Rajesh Kumar Bengani (ICAI Membership No. 062692 ) a practicing Chartered Accountant, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM ,first count the vote at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least 2(two) witness not in the employment of the Company and make not later than 48 hours of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- VII. The Chairman or a person authorized by him in writing shall declare the result of voting forthwith.
- VIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.adityaispat.com](http://www.adityaispat.com) and on the website of CDSL within 48 hours of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
9. All documents referred to the accompanying Notice shall be open for Inspection at the Registered Office of the Company during 10.00 am to 12.00 pm on all working Days except Saturdays and Sundays, up to and including the date of Annual General Meeting of the Company.
10. The Notice of the Meeting will also be available on the Company's website [http:// www.adityaispat.com](http://www.adityaispat.com) and the website of CDSL at <http://www.evotingindia.co.in>



## ANNEXURES TO THE NOTICE

Details of the Directors seeking appointment / re-appointment in the ensuing Annual General Meeting.(In pursuance of Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings )

<b>Name of the Director</b>	<b>Shri S.K. Kabra</b>
Date of Birth	04/04/1944
Date of Appointment	26/08/2014
Expertise in Specific Functional areas	Business experience in variety of industries
Qualifications	Chartered Accountant
Board Meeting , attendance and Remuneration	Has attended 5 out of 5 Board Meeting and no remuneration or sitting fees was paid to him.
Director Ship held in other Indian companies	JYOTHI SHEEL TEXTILE COMPANY PRIVATE LIMITED SHEELENDRA INDUSTRIES LIMITED ASTHA TEXTILE COMPANY PRIVATE LIMITED GANESHA ECOSPHERE LIMITED
Membership/Chairmanship of Committees of other public companies(includes only Audit Committees and Shareholders/Investor' Greivance Committee)	Ganesh Ecosphere Ltd-Audit Committee
Disclosure of Relationship inter se between Directors, Manager and Other Key Managerial Personnel	Nil
Shareholdings in the Company	Nil

## DIRECTORS' REPORT

To  
**The Members of Aditya Ispat Limited,**  
 Hyderabad

Your Directors take pleasure in presenting the Twenty Sixth Annual Report on the affairs of the Company for the financial year ended 31<sup>st</sup> March, 2017 together with the Audited Financial Statements and Report of the Auditors thereon.

**1. FINANCIAL RESULTS:**

The overall performance of the Company for the financial year 2016-17 is summarized as under:

(Rs. in Lakhs)

S.No.	Particulars	2016-2017	2015-2016
1.	Sales ( Gross)	3880.69	3149.52
	Less : Excise Duty	219.38	178.29
	Sales ( Net)	3661.31	2971.23
2.	Other Income	5.20	5.25
	Total Revenue	3666.51	2976.48
3.	Profit before Interest, Depreciation, & taxation	217.73	176.77
4.	Interest/Financial Charges	116.57	91.85
5.	Depreciation	39.88	37.77
6.	Profit before tax	61.28	47.15
	Less: Provision for current tax	17.06	8.54
	Less : Provision for Deferred Tax	2.23	6.44
	Net Profit(loss) after tax	41.99	32.17
	Add: Balance from previous year	226.00	193.83
	Surplus carried to Balance Sheet	267.99	226.00

**2. DIVIDEND & TRANSFER TO RESERVE:**

The Board has not recommended any dividend during the year under consideration to augment resources for future growth of the company and it has also not transferred any amount to reserves.

**3. OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY**

During the year 2016-17, the Company has posted a gross turnover of Rs. 3880.69 lakhs higher by 23.21 % over last year (Rs. 3149.52 lakhs in the F.Y. 2015-16) due to correction in realization. The Company has earned a net profit of Rs.61.28 lakhs before tax compared to previous year's profit of Rs 47.15 Lakhs on account of lower input cost. There is an improvement in profitability due to increment in sale volume and optimization of cost of productions.

**4. FUTURE OUTLOOK:**

Global steel markets recovered during Financial Year 2016-17 registering better than estimated production & demand growth. During the year, the global steel demand grew by 1% to 1.52 billion tonnes on the back of stronger than expected demand growth in China. The crude steel production was 1.63 billion tonnes, up by 0.8% compared to the previous year.

The global capacity utilization ratio remained around 70% in spite of proactive measures being undertaken in China and Europe. For instance, Chinese Government intends to reduce steel production capacity by 100-150 million tonnes by 2020, and has also announced merger of two major Chinese steel producers in the previous year.

Regulatory measures announced by the Indian Government during the year have continued to aid domestic steel prices. The Indian steel industry has increased its capacity in the recent years, though the demand growth has remained muted. This has resulted in financial stress in the balance sheet of the steel players. The domestic crude steel capacity rose to 122 million tonnes, an increase of 11% year-on-year while the production of finished steel was around 101 million tonnes. The Financial Year 2016-17, saw a modest consumption growth of 3% due to low growth in construction sector and impact of demonetisation and a sharp decline in imports as domestic supply rebounded to the extent that India became a net exporter of steel, after a gap of three years.

As per the World Steel Association ('WSA'), global steel demand is expected to grow at 1.3% in 2017 to 1.54 billion tonnes and a further 0.9% in 2018 to 1.55 billion tonnes. Recovery in developed economies and accelerating growth in emerging and developing markets especially Russia, Brazil and India is expected to aid demand growth and keep inventory levels low which in turn is expected to support global steel prices. However, low level of capacity reduction than targeted by nations and continued oversupply in raw materials especially iron ore are likely to weigh down on the prices in the absence of effective trade measures and/ or increase in steel demand.

India's prospects continue to remain bright inspite of imports and surplus capacity. Proactive policy measures by the Government are expected to address most of these concerns. For instance, a Steel Price Monitoring Committee was formed by the Government with an aim to monitor price rationalization, analyse price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity. As per WSA, steel demand in India is expected to grow at 6-7% per annum in the next two years, compared to 4% in 2016.

## **5. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis as required by the Listing Regulation is annexed herein by reference and forms an integral part of this annual report.

## **6. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information, compliance of various internal controls and other regulatory and statutory compliances. Self certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Internal Audit is conducted throughout the organization by qualified outside Internal Auditors. Findings of the Internal Audit report are reviewed by the top management and by the Audit Committee of the Board and proper follow up action are ensured wherever required. The Statutory Auditors have evaluated the system of the internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

## **7. CHANGE IN THE NATURE OF BUSINESS**

During the year under consideration, there has been no change in the nature of the business of the Company.

## **8. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR.**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm:

- i. 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;
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- iv. That the annual financial statements have been prepared on a going concern basis;
- v. That proper internal financial controls were laid down and that such internal financial controls were adequate and were operating effectively;
- vi. That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and were operating effectively.

**11. STATUTORY AUDITORS AND AUDIT REPORT:**

In terms of the provisions of the Companies Act, 2013 ('Act'), statutory auditors need to be rotated on completion of two consecutive terms of five years each. For those of the companies that have firms audit their accounts for more than ten years as of April 1, 2014, the Act provided such companies a transition period of three years to comply with the provisions of the Act. The current statutory auditors, M/s. Dagliya & Co, Chartered Accountants completed two consecutive terms as of April 1, 2014 and hence the Company availed the benefit of the transition period which came to an end on March 31, 2017. Accordingly, the Company would need to appoint a new audit firm to audit its books of account for the year ending March 31, 2018 and onwards.

The Management under the guidance of the Audit Committee initiated the process of selection of auditors and had detailed interactions with certain eligible audit firms and assessed them against a defined eligibility and evaluation criteria. The Audit Committee of the Board has decided to appoint M/s. DCM & Co., Chartered Accountants as the statutory auditors of the Company for a period of five years commencing from the conclusion of the ensuing 26th Annual General Meeting scheduled to be held on 25<sup>th</sup> September, 2017 through the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2022.

The Board, at its meeting held on 14<sup>th</sup> August, 2017, considered the recommendations/decision of the Audit Committee with respect to the appointment of M/s. DCM & Co., Chartered Accountants as the statutory auditor. Based on due consideration, the Board recommends for your approval the appointment of M/s. DCM & Co., as the statutory auditor of the Company.

The Board seeks your support in approving the appointment of M/s. DCM & Co., as the new statutory auditor of the Company.

M/s. Dagliya & Co, Chartered Accountants, are the auditors of the Company and will hold office until the conclusion of the ensuing AGM. On your behalf and on our own behalf we place on record our sincere appreciation for the services rendered by M/s. Dagliya & Co during its long association with the Company.

As regards the comments in the Auditors' Report, the relevant notes in the Accounts are self explanatory and may be treated as information/ explanation submitted by the Board as contemplated under provisions of the Companies Act, 2013.

**12. COST AUDITORS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Amendment Rules, 2014 the Company was not covered for the cost audit and consequently the Company had not appointed Cost Auditor for the financial year 2016-17.

**13. SECRETARIAL AUDIT:**

In compliance with the provisions of Section 204 and other applicable provisions of Companies Act, 2013, a secretarial audit was conducted during the year by Secretarial Auditors, M/s A J Sharma & Associates. The Secretarial Auditor's Report is attached as annexure and form part of this report. There are no qualifications or observations or remarks made by the Secretarial Auditors in their Audit Report.

**14. AUDIT COMMITTEE:**

The audit committee of the board of directors of the Company consists of Mr Sanjay Solanki (Chairman), Mr Swamy S B Das and Mr H M Dugar. The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee met four times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

**15. STAKE HOLDERS' RELATIONSHIP COMMITTEE**

The Company has a Stake Holder's Relationship Committee for reviewing Shareholders/Investors complaints. The present members of this Committee are Mr Swamy S B Das (Chairman), Mr H M Dugar and Mr Sanjay Solanki. The detail of number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report.

**16. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

**17. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The policy on appointment and removal of Directors and determining Directors' independence is posted on the website of the Company [www.adityaispat.com](http://www.adityaispat.com).

**18. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out has been posted on the website of the Company [www.adityaispat.com](http://www.adityaispat.com). The Independent Directors are regularly updated on industry & market trends, plant process, and operational performance of the Company etc through presentations in this regard and periodic plant visits. They are also periodically kept aware of the latest developments in the Corporate Governance, their duties as Directors and relevant laws.

**19. DIRECTORS :**

Mr.S.K.Kabra, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Brief particulars and expertise of the director and his other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**20. INDEPENDENT DIRECTORS DECLARATION:**

Mr Swamy S B Das, Mr H M Dugar and Mr Sanjay Solanki are Independent Directors of the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**21. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarise the new IDs with the Company's business operations. The new IDs are given an orientation on our products, Board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy.

The Policy on the Company's Familiarisation Programme for IDs can be accessed at Company's website at [www.adityaispat.com](http://www.adityaispat.com)

**22. PARTICULARS OF EMPLOYEES AND KEY MANAGERIAL PERSONNEL (KMP)**

The following three persons are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

- a) Mr. Satya Bhagwan Chachan, Managing Director
- b) Mrs. Alphonsa Domingo, Chief Financial Officer
- c) Mr. Mahendra.N.Soni, Company Secretary

During the year there has been no change in the Key Managerial Personnel.

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the remuneration and other details of Key Managerial Personnel and other Employees for the year ended March 2017 are annexed to this report.

**23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013. The company has neither granted any loan, nor made any investment, nor given any guarantee or security to parties covered under the provisions of section 185 and 186 of Companies Act, 2013. It is not applicable to the company.

**24. TRANSACTION WITH RELATED PARTIES:**

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large. All related party transactions are placed before the Audit Committee and given in the notes annexed to and forming part of this Financial Statement. The approved policy on Related Party Transactions is also available on the website of the Company [www.adityaispat.com](http://www.adityaispat.com)

Your Directors draw attention to the members to Note No.2.31 to the Financial Statement which sets out related party transactions.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the

Companies Act, 2013 along with the justification for entering into such contracts or an arrangement in Form AOC-2 does not form part of the report.

**25. SUBSIDIARY COMPANIES:**

There are no subsidiary companies within the meaning of Section 2(87) of the Companies Act 2013.

**26. VIGIL MECHANISM:**

The vigil mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, comprises senior executives of the Company. Protected disclosures can be made by a whistle blower through an E mail, or by telephone line or a letter to the chairman of the Audit Committee.

The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at [www.adityaispat.com](http://www.adityaispat.com).

**27. EXTRACTS OF ANNUAL RETURN:**

As provided under section 92(3) of the Act, the extract of Annual Return is given in the prescribed Form MGT-9, as annexed to this report.

**28. RISK MANAGEMENT:**

As a policy the Company has identified key risk concern/areas. The assessment of each risk area is done on quarterly basis. Following are the main concern/risk related to the Company:

Market Related Risk: mainly demand, realisation and redundancy of the product.

Production related Risk mainly availability of inputs, accident or break down in the plant and rejection of material by the customers.

Human Resources Risk: includes the risk of labour unrest, high employee turnover ratio and lower productivity due to dissatisfaction of employees.

Revenue Risk: adverse exchange rate movement, Govt Policies and duty rates

Data and Records: data lost, fire, virus attack etc.

The Board and the Audit Committee takes note of Risk management of the Company in every quarter.

The Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report.

**29. NUMBER OF MEETING OF THE BOARD:**

During the year four Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**30. CORPORATE GOVERNANCE**

a) As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditors' certificate regarding the Compliance of conditions of Corporate Governance forms part of the Annual Report.

b) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its Board members and senior management personnel which have also been posted on the website of the Company. A certificate by the Managing Director regarding compliance of the code of conduct of the Company is also included in the Annual report.

**31. 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 134(3)(m) of the Companies Act, 2013 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2017 is annexed to this report.

**32. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **33. Human Resources Management & Industrial Relations**

From its foundation, Aditya Ispat limited employment philosophy and practices have been based on the recognition that its people are the primary source of its competitiveness.

The company consistently abides by human resources policy that is found on a set of following principles: equality of opportunity, continuing personal development, fairness, mutual trust and teamwork. These principles are, in turn, underpinned by the five Aditya Ispat core Values of Pioneering, Integrity, Excellence, Unity and Responsibility. The Company also believes as a matter of principle that, diversity within its workforce greatly enhances its overall capabilities. The Company is an equal opportunity employer and it does not discriminate on the basis of race, caste, religion, colour, ancestry, gender, marital status, sexual orientation, age, nationality, ethnic origin or disability. All decisions relating to promotion, compensation and any other forms of reward and recognition are based entirely on performance and merits.

The Company's ambition is to be a modern employer offering employees long-term prospects for a meaningful professional career. This is why the Company's collective labour agreement focuses on four aspects: health & vitality, career development & skills, employee productivity and employment conditions.

During the year, the Company focused on improvement in areas related to diversity & inclusion and training & development. Many initiatives were undertaken to bring about a change in the mindset of the workforce regarding these aspects.

Employees are very important stakeholders for the Company and the Management team is in continuous engagement through the year to ensure seamless and transparent communication on all important issues that relates to the employees and the future of the company.

### **34. GENERAL:**

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- i. The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.
- ii. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme.

### **35. ACKNOWLEDGEMENT:**

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.

Specific acknowledgement is also made for the confidence and understanding shown by the Members in the Company.

On behalf of the Board of Directors

Sd/-

S.B CHACHAN

CHAIRMAN & MANAGING DIRECTOR

Date : 14-08-2017

Place: Hyderabad.



## ANNEXURE TO DIRECTOR'S REPORT

## PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ;	Mr. S.B. Chachan :10:1 Mr. H. M. Dugar : Nil Mr. Sanjay Solanki : Nil Mr. Swamy S. B. Das : Nil Mr. S.K. Kabra : Nil Mrs. Usha Chachan Nil:	
II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year ;	Mr. S.B. Chachan : Nil Mr. H. M. Dugar : Nil Mr. Sanjay Solanki : Nil Mr. Swamy S. B. Das : Nil Mr. S.K. Kabra : Nil Mrs. Usha Chachan : Nil <b>Key Managerial Personnel</b> Mrs. Alphonsa Domingo: 9.50 Mr.Mahendra.N.Soni: Nil	
III. The percentage increase in the median remuneration of employees in the financial year;	16.59%	
IV. The number of permanent employees on the rolls of Company;	16 Employees as on 31/03/2017	
V. The explanation on the relationship between average increase in remuneration and Company performance;	There has been average increase in the remuneration of all employees by 16.59%for the year 2016-17 which was mainly due to increase in skilled man power.	
VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The remuneration of key managerial personnel is linked with theperformance of the Company and their individual performance. There has been no increase in remuneration of Managing Director and theCompany Secretary. The remuneration of Chief Financial Officer has increased by 9.50%.  During the year gross turnover increased by 23.21% over last year at Rs. 3880.69lakhs (Rs. 3149.52 lakhs in the F.Y. 2015-16) and has earned a net profit of Rs.61.27 lakhs before tax against previous year's profit of Rs 47.15 lakhs.	
VII. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in	<b>Market Capitalisation</b>	(Rs in lakhs)
	As at 31st March,2017 As at 31st March, 2016 Variation	295.86 163.18 81.31%

comparison to the rate at which the Company came out with the last public offer in case of listed Companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	PE Ratio As at 31st March 2017	7.00
	PE Ratio As at 31st March 2016	5.08
	% Increase	37.80%
	The Company has not made any public offer of securities in the last 23 years, therefore comparison have not been made of current share price with public offer price. The Company's Shares are listed on Bombay Stock Exchange and the Calcutta Stock Exchange Ltd.	
VIII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary Increase of non managerial employees was negative 16.59%. There has been no increase in managerial remuneration of Managing Director and of the Company Secretary. The managerial remuneration of CFO increased by 9.50%	
IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	Same as VI	
X. The key parameters for any variable component of remuneration availed by the directors;	There is no variable component of remuneration availed by the directors.	
XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Managing Director is the highest paid director. No employee received remuneration higher than the Managing Director.	
XII. Affirmation that the remuneration is as per the remuneration policy of the company;	Remuneration paid during the year ended March 31, 2017 is as per the remuneration policy of the Company.	

**PARTICULARS OF EMPLOYEES PERSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014**

There was no person employed by the Company during the year who was in receipt of remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**NOTES :**

Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956 and includes expenditure incurred by the Company on salary and for provision of benefits to the employees, excluding actuarial valuation of retirement benefits.

On behalf of the Board of Directors  
Sd/-

S.B CHACHAN  
CHAIRMAN & MANAGING DIRECTOR

Date :14.08.2017  
Place: Hyderabad.

**ANNEXURE TO DIRECTOR'S REPORT**

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED March 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,  
The Members,  
Aditya Ispat Limited, Plot No 20,  
Phase V, IDA, Jeedimetla, Hyderabad- 500055

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Ispat Limited (hereinafter called the Company) for the financial year ended on March 31, 2017. The Secretarial Audit was conducted pursuant to the provisions of section 204 (1) of the Companies Act, 2013 in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company as shown to us and also on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder to the extent applicable and also that the Company has proper Board-processes and mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during the Audit Period)
- (vi) The following other significant applicable laws to the Company
1. Factories Act,1948
  2. Industrial Disputes Act 1947
  3. The Payment of Wages Act 1936
  4. The Minimum Wages Act 1948
  5. Employees State Insurance Act 1948
  6. The Employees Provident Funds and Miscellaneous Provisions Act 1952
  7. The Payment of Bonus Act 1965
  8. The Payment of Gratuity Act 1972
  9. Industrial (Development & Regulation) Act,1951.
  10. Maternity Benefit Act 1961
  11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  12. The Environment Protection Act 1986
  13. Legal Metrology Act 2009
  14. Income Tax Act 1961
  15. The Centra; Excise Act 1944
  16. The APVAT Act
  17. The Air (Prevention & control of pollution) Act 1981
  18. Water (Prevention & control of Pollution) Act 1974
  19. Customs Act 1962

We have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE)

To the best of our understanding we are of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board meetings and Committee meetings are carried unanimously as recorded in the respective meeting minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with our letter of even dated which is annexed as Annexure-A, and forms an integral part of this report.

For A.J.Sharma & Associates  
Company Secretaries

Sd/-

A.J.Sharma

FCS-2120, CP-2176

Place: Hyderabad

Date: 14th August, 2017

### **ANNEXURE- A**

*(To the Secretarial Audit Report of M/s Aditya Ispat Limited for the financial Year Ended March 31,2017)*

To,  
The Members,  
Aditya Ispat Limited, Plot No 20,  
Phase V, IDA, Jeedimetla, Hyderabad- 500055

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company
4. Wherever required we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For A.J.Sharma & Associates  
Company Secretaries

Sd/-

A.J.Sharma

FCS-2120, CP-2176

Place: Hyderabad

Date: 14th August, 2017

## ANNEXURE TO DIRECTOR'S REPORT

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

i	CIN	L27109TG1990PLC012099
ii	Registration Date	18th December,1990
iii	Name of the Company	ADITYA ISPAT LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad. Phone: 040 23097396, Fax 040 23746169 email: info@adityaispat.com Website: www.adityaispat.com
vi	Whether listed Company	Yes: Listed on BSE Ltd. and The Calcutta Stock Exchange Ltd.
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XL Softech Systems Ltd.3, Sagar Society, Road No. 2, Hyderabad - 500 034 Phone 040 23545914 Fax: 04023553214 Email: xlfield@gmail.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Bright Steel Bars	3309	98

## III. PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	-----NIL-----				

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year(As on 31-March-2016)				No. of Shares held at the end of the year(As on 31-March-2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1041200	-	1041200	19.46	1041200	-	1041200	19.46	-
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	259900	-	259900	4.86	259900	-	259900	4.86	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>1301100</b>	<b>-</b>	<b>1301100</b>	<b>24.32</b>	<b>1301100</b>	<b>-</b>	<b>1301100</b>	<b>24.32</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other (clearing members)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>1301100</b>	<b>-</b>	<b>1301100</b>	<b>24.32</b>	<b>1301100</b>	<b>-</b>	<b>1301100</b>	<b>24.32</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	1569992	4900	1574892	29.44	1571486	4900	1576386	29.47	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1288468	736640	2025108	37.85	1243830	733240	1977070	36.95	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	427057	-	427057	7.98	473898	-	473898	8.86	-
<b>c) Non Resident Indians</b>	20613	-	20613	0.39	20283	-	20283	0.38	-
<b>d) Clearing Members</b>	1230	-	1230	0.02	1263	-	1263	0.02	-
<b>SUB TOTAL (B)(2):</b>	<b>3303260</b>	<b>745640</b>	<b>4048900</b>	<b>75.68</b>	<b>3310760</b>	<b>738140</b>	<b>4048900</b>	<b>75.68</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	<b>3303260</b>	<b>745640</b>	<b>4048900</b>	<b>75.68</b>	<b>3310760</b>	<b>738140</b>	<b>4048900</b>	<b>75.68</b>	<b>-</b>
<b>C. Shares held by Custodian for "GDRs &amp; ADRs"</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4604360</b>	<b>745640</b>	<b>5350000</b>	<b>100</b>	<b>4611860</b>	<b>738140</b>	<b>5350000</b>	<b>100</b>	<b>-</b>

## ii. SHARE HOLDING OF PROMOTERS

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Co.	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Co.	% of shares pledged encumbered to total shares	
1	JAI BAPJI ISPAT PVT.LTD	259900	4.86	-	259900	4.86	-	-
2	SATYA BHAGWAN CHACHAN	244100	4.56	-	244100	4.56	-	-
3	SATYA BHAGWAN CHACHAN (HUF)	234000	4.37	-	234000	4.37	-	-
4	USHA CHACHAN	232100	4.34	-	232100	4.34	-	-
5	ADITYA CHACHAN	165500	3.09	-	165500	3.09	-	-
6	ANSHUMAN CHACHAN	165500	3.09	-	165500	3.09	-	-
	<b>Total</b>	<b>1301100</b>	<b>24.32</b>	<b>-</b>	<b>1301100</b>	<b>24.32</b>	<b>-</b>	<b>-</b>



## iii. CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl No	PARTICULARS		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
1	JAI BAPJI ISPAT PVT.LTD	At the beginning of the year	259900	4.86	259900	4.86
		Changes during the year	No Change			
		At the end of the year	-	-	259900	4.86
2	SATYA BHAGWAN CHACHAN	At the beginning of the year	244100	4.56	244100	4.56
		Changes during the year	No Change			
		At the end of the year	-	-	244100	4.56
3	SATYA BHAGWAN CHACHAN (HUF)	At the beginning of the year	234000	4.37	234000	4.37
		Changes during the year	No Change			
		At the end of the year	-	-	234000	4.37
4	USHA CHACHAN	At the beginning of the year	232100	4.34	232100	4.34
		Changes during the year	No Change			
		At the end of the year	-	-	232100	4.34
5	ADITYA CHACHAN	At the beginning of the year	165500	3.09	165500	3.09
		Changes during the year	No Change			
		At the end of the year	-	-	165500	3.09
6	ANSHUMAN CHACHAN	At the beginning of the year	165500	3.09	165500	3.09
		Changes during the year	No Change			
		At the end of the year	-	-	165500	3.09

## iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Changes during the Year		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		Date wise	Reason	No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
1	S.D. Chachan Commercial Pvt.Ltd.	At the beginning of the year		512100	9.57	512100	9.57
		Changes during the year		No Change			
		At the end of the year		-	-	512100	9.57
2	Chachan Consultancy Pvt.Ltd.	At the beginning of the year		415800	7.77	415800	7.77
		Changes during the year		No Change			
		At the end of the year		-	-	415800	7.77
3	P.S. Credit & Tradings Pvt.Ltd.	At the beginning of the year		301427	5.63	301427	5.63
		Changes during the year		No Change			
		At the end of the year		-	-	301427	5.63
4	Anshuman Steels Pvt.Ltd.	At the beginning of the year		239000	4.47	239000	4.47
		Changes during the year		No Change			
		At the end of the year		-	-	239000	4.47
5	Tarachand Goyal Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2016	At the beginning of the year	80955	1.51	80955	1.51
		15/7/2016	Market Purchase	1788	0.04	82743	1.55
		30/9/2016	Market Purchase	500	0.01	83243	1.56
		21/10/2016	Market Purchase	3500	0.06	86743	1.62
		31/3/2017	At the end of the year			86743	1.62
6.	Goyal Tarachand Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2016	At the Beginning of the year	67656	1.26	67656	1.26
		29/4/2016	Market Purchase	400	0.01	68056	1.27
		17/6/2016	Market Purchase	1356	0.03	69412	1.30
		24/6/2016	Market Purchase	3184	0.06	72596	1.36
		30/6/2016	Market Purchase	1728	0.03	74324	1.39
		8/7/2016	Market Purchase	4548	0.08	78872	1.47
		22/7/2016	Market Purchase	2000	0.04	80872	1.51
		7/10/2016	Market Purchase	1070	0.02	81942	1.53
		21/10/2016	Market Purchase	2900	0.06	84842	1.59
		9/12/2016	Market Purchase	1007	0.01	85849	1.60
		31/3/2017	At the end of the year	-	-	85849	1.60

7	Vimmi Goyal Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2016	At the Beginning of the year	65409	1.22	65409	1.22
		30/6/2016	Market Purchase	2000	0.04	67409	1.26
		5/8/2016	Market Purchase	63	0.00	67472	1.26
		7/10/2016	Market Purchase	2968	0.06	70440	1.32
		14/10/2016	Market Purchase	2000	0.03	72440	1.35
		21/10/2016	Market Purchase	5189	0.10	77629	1.45
		28/10/2016	Market Purchase	470	0.01	78099	1.46
		31/3/2017	At the end of the year	-	-	78099	1.46
8	Bishnalal Ramuka	At the Beginning of the year		37000	0.69	37000	0.69
		Changes during the Year		No Change			
		At the end of the year		-	-	37000	0.69
9	Wall Street Finance Limited	At the Beginning of the year		27600	0.52	27600	0.52
		Changes during the Year		No Change			
		At the end of the year		-	-	27600	0.52
10	Srinivasa Rao Katakam Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2016	At the beginning of the year	21023	0.39	21023	0.39
		22/7/2016	Market Sale	(20000)	(0.37)	1023	0.02
		31/3/2017	At the end of the year	-	-	1023	0.02
11	Suresh Kumar Goenka Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2016	At the Beginning of the year	6881	0.13	6881	0.13
		15/7/2016	Market Purchase	70	0.00	6951	0.13
		29/7/2016	Market Purchase	14173	0.26	21124	0.39
		12/8/2016	Market Purchase	5000	0.10	26124	0.49
		31/3/2017	At the end of the year	-	-	26124	0.49

## v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP'S)

Sl. No	Name	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
<b>A</b>	<b>DIRECTORS</b>					
1	<b>Shri Satya Bhagwan Chachan</b> Chairman And Managing Director	At the beginning of the year	244100	4.56	244100	4.56
		Changes during the year	No Change			
		At the end of the year	-	-	244100	4.56
2	<b>Shri H.M.Duggar</b> Non-Executive Director	At the beginning of the year	NIL	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
3	<b>Shri Sanjay Solanki</b> Non-Executive Director	At the beginning of the year	Nil	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
4	<b>Shri Swamy S.B.Das</b> Non-Executive Director	At the beginning of the year	NIL	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
5	<b>Smt. Usha Chachan</b> Non-Executive Director	At the beginning of the year	232100	4.34	232100	4.34
		Changes during the year	No Change			
		At the end of the year	-	-	232100	4.34
6	<b>Shri Surendar Kumar Kabra</b> Non-Executive Director	At the beginning of the year	NIL	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
<b>B</b>	<b>KEY MANAGERIAL PERSONS</b>					
1	<b>Shri Mahender N. Soni</b> Co. Secretary and Compliance Officer	At the beginning of the year	NIL	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
2	<b>Smt. Alphonsa Domingo</b> Chief Financial Officer	At the beginning of the year	NIL	NIL	NIL	NIL
		Changes during the year	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rupees

	Secured Loans excluding deposits	Unsecured Loans	Deposits Indebtedness	Total
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	107,935,352	-	-	107,935,352
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>107,935,352</b>	<b>-</b>	<b>-</b>	<b>107,935,352</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	135,767,790	-	-	135,767,790
Reduction	(112,052,607)	-	-	(112,052,607)
<b>Net Change</b>	<b>23,715,183</b>	<b>-</b>	<b>-</b>	<b>23,715,183</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	131,650,535	-	-	131,650,535
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>131,650,535</b>	<b>-</b>	<b>-</b>	<b>131,650,535</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rupees

SI.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
		<b>S B Chachan,</b> Managing Director	
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,200,000	1,200,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>1,200,000</b>	<b>1,200,000</b>

Ceiling as per the Act : Ceiling is within the limit prescribed under the provisions of the Companies Act, 2013.

**B. Remuneration to other directors:***Amount in Rupees*

Sl. No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	H M Dugar Sanjay Solanki Swamy S B Das	
	(a) Fee for attending board committee meetings	NIL	NIL
	(b) Commission	NIL	NIL
	(c ) Others, please specify	NIL	NIL
	<b>Total (1)</b>	NIL	NIL
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	NIL	NIL
	(b) Commission	NIL	NIL
	(c ) Others, please specify.	NIL	NIL
	<b>Total (2)</b>	NIL	NIL
	<b>Total (B)=(1+2)</b>	NIL	NIL
	<b>Total Managerial Remuneration</b>	NIL	NIL

**Overall Ceiling as per the Act :** Ceiling is within the limit prescribed under the provisions of the Companies Act, 2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD***Amount in Rupees*

SINo	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	144,000	158,347	302,347
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA	-	-	-
2	Stock Option	NA	-	-	-
3	Sweat Equity	NA	-	-	-
4	Commission	NA	-	-	-
5	Others, please specify	NA	-	-	-
	<b>Total</b>		<b>144,000</b>	<b>158,347</b>	<b>302,347</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Amount in Rupees

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## ANNEXURE TO DIRECTOR'S REPORT

## PARTICULARS OF THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION &amp; FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31<sup>st</sup> March,2017

## I. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken:
  - Use of Automatic Power Factor Controller (APFC) to maintain power factor above 0.98 at factory.
  - Replacement of existing motors with lower ratings as per actual requirement and also with high efficiency ones.
  - Usage of AC Drives to the motors for optimizing power consumption
- b. Steps taken by the company for utilising alternate source of Energy: Nil
- c. Capital Investments on Energy Conservation Equipments : Nil
- d. Total energy consumption per unit of production:

		For the year ended 31.03.17	For the year ended 31.03.16
<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>		
<b>1.</b>	<b>ELECTRICITY</b>		
	a. Purchased		
	Units (KWH)	426489	536902
	Amounts (Rs. In lacs)	41.15	48.48
	Rate per Unit(average) (Rs.)	9.65	9.03
	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
<b>2.</b>	<b>COAL (Specify quality and where used)</b>		
	Quantity (Tonnes)	NIL	NIL
	Total Cost	NIL	NIL
	Average Rate	NIL	NIL



<b>3.</b>	<b>FURNACE OIL</b>		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
<b>4.</b>	<b>OTHERS/INTERNAL GENERATION</b>		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Production (Units) (M.T)	2186.585	2788.719
	Electricity (Rs.)	1881.87	1738.47
	Coal	NIL	NIL
	Furnace Oil	NIL	NIL
	Others	NIL	NIL

## II. TECHNOLOGY ABSORPTION

- (a) Efforts made towards technology absorption: The Company is engaged in Indigenous Technology.
- (b) Benefits derived like product improvement, cost reduction, product development or product substitution: Reduction in utility consumption.
- (c) Information regarding imported technology ( since last 3 years)

SI.No.	Technology Imported	Year	Status of impementation
1	Installation of Fan Guard manufacturing Machines	2014-15	Commissioned

(d) The expenditure incurred on Research and Development: Nil

## III. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Total foreign exchange earned / outgo (Rs. In Lakhs)
- Earned : NIL (previous year NIL)
- Outgo : NIL (previous year Rs.7.73)

For and behalf of the Board of Directors

Sd/-

**(S.B.CHACHAN)**

Chairman & Managing Director

Place : Hyderabad

Date : 14.08.2017

## ANNEXURE TO THE BOARD REPORT MANAGEMENT DISCUSSION AND ANALYSIS

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS :

Adityalspat Limited (Aditya) is one of the leading manufacturers of Bright Bars at Hyderabad and has produced 2186.585 Tons as compared to previous year production of 2788.719 Tons of Bright Bars and Wire during the year under review. This output is slated to grow with increased working capital availability in the coming years.

### B. OUTLOOK – Global Steel Industry

According to International Monetary Fund ('IMF'), global growth is projected to rise to 3.5% in 2017 and 3.6% in 2018, moving closer to the long-term growth trend of 4%. The outlook indicates a likely up cycle of modest recovery. However, the uncertainty with respect to sustainable growth remains. While the continued recovery and gradual closing of output gaps are likely to maintain growth momentum in the advanced economies over the next few years, supportive policy and adjusting to current price levels by commodity exporting countries are expected to aid growth in emerging and developing economies.

As per the World Steel Association ('WSA'), global steel demand is expected to grow at 1.3% in 2017 to 1.54 billion tonnes and a further 0.9% in 2018 to 1.55 billion tonnes. Recovery in developed economies and accelerating growth in emerging and developing markets especially Russia, Brazil and India is expected to aid demand growth and keep inventory levels low which in turn is expected to support global steel prices.

The metals and mining sector will be challenging due to the weak demand and declining commodity prices. The forecasts from World Steel Association (WSA) suggest that the global steel demand is expected to decrease by 0.8% to 1,488 mtpa in 2017 after a contraction of 3% in 2015. Also, steel demand in some emerging economies remained bleak owing to worsening of external environment on account of weak exports, low commodity prices, currency devaluation, capital outflows and other geo-political issues. Ongoing recession in a number of large emerging economies, weaker terms of trade with tighter external financial conditions will continue to be causes of concern.

#### Steel Industry in India

As per IMF, India is expected to grow at 7.2% in 2017 and surpass the UK and France in 2017 to become the world's fifth largest economy. The macro-economic stability with inflation below 5% continues to be the foundation of economic success which is reflected by growth in its key sectors - agriculture, industrial and services. Government initiatives like Make-in-India, Invest India, Start Up India and e-biz Mission Mode Project under the national e-governance plan are helping to improve ease of doing business in the country. In addition, the biggest tax reform since Independence, Goods and Services Tax ('GST') will help simplify India's tax regime and is likely to boost GDP and reduce inflation in the long-term despite the threat of a potential slowdown in economic activity during the transition to the GST in the near term.

Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products. The Parliament of India has cleared amendments to the Mines and Minerals Development and Regulation (MMDR) Act, which will enable companies to transfer captive mines leases similar to mines won through an auction, and which is expected to lead to increased Mergers and Acquisitions (M&A) of steel and cement companies.

The Ministry of Steel has announced to invest in modernisation and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriyalspat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.8 MTPA to 21.4 MTPA and from 3.0 MTPA to 6.3 MTPA respectively.

Further, various measures such as 'Make in India', 'Smart Cities', 'Digital India' that the Government has been taking in the last couple of years are beginning to show results and the gradual implementation of structural reforms will continue to broaden and contribute towards higher growth

The total outlay for infrastructure in Budget 2016-17 stands at Rs 221,246 crore (US\$ 32.8 billion), which is expected to generate much needed demand for steel industry.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

#### **C. OPPORTUNITIES, THREATS, RISKS AND CONCERNS 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.

#### **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.

#### **D. 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.

#### **E. PERFORMANCE OF THE COMPANY**

During the year, your Company achieved a Profit before Tax of Rs. 61.27 Lakhs and Earnings before Interest Depreciation and Tax of Rs.217.73 Lakhs. Net Profit after tax has increased from Rs.32.17 Lakhs to Rs.41.99 Lakhs. The Sales of the Company (net of Excise) increased by 23.23% to Rs. 3661.30 Lakhs. Since the Company has concentrated more on value based manufacturing activities which has resulted in increased production in term of quantity manufactured during the year.

#### **F. HUMAN RESOURCES**

The Company has' under its employment, 16 officers and workmen as on 31st March, 2017.

Increase in value of Human Capital through development of individual and collective skills and knowledge is essential to any Company for its growth. Your Company lays great emphasis on building a motivated work force, which can participate constructively in the growth of the Company. Innovative ideas are regularly received from the officers and staff of the Company, many of which were implemented for improvement in areas of quality, cost savings and increased productivity.

#### **G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE FINANCIAL INFORMATION**

- **Sales:** The Company has generated sales revenue of Rs. 3880.69 lakhs from manufacturing and trading revenues which is higher than last fiscal. This is achieved in current fiscal with increased working capital availability and newer geographical areas of operations. The revenues are still likely to improve in the next year.

- **Fixed Assets:** The Company has added fixed assets of Rs. 20.96 lakhs. The Gross block of Capital Assets stood at Rs.818.08 lakhs as at 31<sup>st</sup> March 2017 against Rs797.12lakhs as at 31<sup>st</sup> March 2016, with Net block of Rs.565.52 lakhs after depreciation compared to 584.44 lakhs of the previous year.
- **Inventory:** The inventory at the end of the current year stood at Rs543.78 lakhs against Rs374.03 lakhs at the end of previous year. Increase in inventory is in line is due to higher purchases to meet the demands and fluctuation in prices.
- **Sundry Debtors:** Sundry Debtors at the end of the year stood at Rs.1505.94 lakhs against Rs.1093.28lakhs at the end of previous year.

**RESULTS OF OPERATIONS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>2016-2017</b>	<b>2015-2016</b>
Income From Operations(Net of Excise)	3661.30	2971.23
Other Income	5.20	5.25
Total Income	<u>3666.51</u>	<u>2976.48</u>
Profit before Interest, Depreciation and Tax	217.73	176.77
Profit Before Tax	61.27	47.15
Profit after Tax for the Current Year	41.99	32.17

Your Company continues to take steps to optimize costs of production which contributed to the profitability of the Company. The cost saving exercise is an ongoing one with emphasis on savings in energy consumption and cost, and reduction of wastes.

**H. STATUTORY COMPLIANCE**

The Managing Director/Executive Director makes a declaration at each Board Meeting regarding compliance with provisions of various statutes. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Compliance Officer ensures compliance with the guidelines on insider trading for prevention of the same.

**I. 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:**

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. The Board formulates strategies, regularly reviews the performance of the Company and ensures that the targeted objectives are met on a consistent basis.

**Composition of the Board:**

As on 14<sup>th</sup> August, 2017, the Board of Directors consists of six Directors out of which five Directors are non-executive Directors including a woman Director. The composition of the Board satisfies the requirement of Sec 149 of the Companies Act, 2013 ("the Act") and Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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/she is director. All the Directors are eminent professional with experience in Business, Industry, Finance and Law and of which three are Independent Directors.

**THE BOARD MEMBERS: ( AS ON 14<sup>TH</sup> AUGUST, 2017)**

The Name, DIN and categories of Directors, the number of Directorships and Committees position held by them and also shareholding in the Company are provided below:

Name of the Director	DIN	Category & Designation	No. of Directorships in Indian Companies (Including*)	No. of the Board Committees**		Shareholding in the Company
				As a Member	As a Chairman	
Shri S.B.Chachan	00080463	Executive Chairman and Managing Director	2	Nil	Nil	244100
Shri Sanjay Solanki	02378551	Non-Executive Independent Director	2	2	1	Nil
Shri Swamy S.B.Das	01932558	Non-Executive Independent Director	1	2	1	Nil
Shri H.M.Dugar	00572246	Non-Executive Independent Director	3	2	Nil	Nil
Smt. Usha Chachan	02304178	Non-Executive Woman Director	2	Nil	Nil	232100
Shri. S.K.Kabra	01280980	Non-Executive Director	5	3	Nil	Nil

- \* Aditya Ispat Limited and Directorships in Indian Companies (listed, unlisted and private limited companies.).
- \*\* In accordance with requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Membership/Chairmanships of only two Committees viz., the Audit Committees and the Stakeholders Relationship Committee of only public limited companies (including Aditya Ispat Limited) have been considered for this purpose.

### Board Meetings:

During the Financial year 2016-17, the Board of Directors met four times on 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, and 13<sup>th</sup> February 2017. The longest gap between any two successive Board Meetings did not exceed 4 months.

### Directors Attendance:

Name of the Director	Board Meetings	Annual General Meeting
Mr.S.B Chachan	4	1
Mr. Sanajay Solanki	4	1
Mr. Swamy S.B Das	4	1
Mr. H.M Dugar	2	-
Mrs. Usha Chachan	4	1
Mr. S.K.Kabra	4	1

### 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

### Independent Directors Meeting

During the year under review the independent directors met on 13<sup>th</sup> February,2017 without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors interalia:

- To review the performance of non-independent directors and the Board as a whole.
- To review the performance of the Chairman of the board of the company, taking into account the views of executive directors and non – executive directors.
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

### Familiarization Programme for Independent Directors

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarise the new IDs with the Company's business operations. The new IDs are given an orientation on our products, Board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy.

The Policy on the Company's Familiarisation Programme for IDs can be accessed at Company's website at [www.adityaispat.com](http://www.adityaispat.com).

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

The Company has a qualified and independent Audit Committee comprising of three Non-executive Independent Directors. The Managing Director, CFO, the Statutory Auditors, and Internal Auditors are permanent invitees to the Committee meetings. The Terms of Reference of the Committee include the powers stipulated in Regulation 18(2) (C), the role of the Audit Committee and review of information pursuant to Regulation 18(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, (referred as LODR). The terms of reference also conform to the requirements of Section 177 of the Companies Act, 2013.

The Audit committee which was constituted has met 4 times during the year ended 31<sup>st</sup> March, 2017 on the following dates: 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, and 13<sup>th</sup> February 2017.

The composition of the Committee and the attendance details of the members are given below:

<b>Name of the Director</b>	<b>Designation</b>	<b>No. of Meetings attended</b>
Mr. Sanajay Solanki	Chairman	4
Mr. Swamy S.B Das	Member	4
Mr. H.M Dugar	Member	2

Mr Mahendra N Soni, Company Secretary, is the Secretary of the Committee.

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 under of the Companies Act, 2013 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. Stakeholders Relationship Committee:**

The company has constituted three members Stakeholders Relationship Committee of the Board of Directors under the Chairmanship of a Non-Executive Independent Director. The Board of Directors has delegated power of approving transfer/transmission of shares to the Committee.

The Stakeholders Relationship Committee which was constituted has met 3 times during the year ended 31<sup>st</sup> March, 2017 on the following dates:

30<sup>th</sup> May, 2016 and 13<sup>th</sup> August, 2016

The composition of the Committee and the attendance details of the members are given below:

Director	Designation	No of meetings Attended
Mr.Swamy S.B Das	Chairman	2
Mr. H.M Dugar	Member	1
Mr. Sanjay Solanki	Member	2

Mr Mahendra N Soni, Company Secretary, is the Compliance Officer of the Company.

The brief terms of reference of the Stakeholders Relationship Committee are as under:

- To specifically look into the redressal of grievances of the investors namely shareholders.
- To deals with grievances relating to transfer of shares, non receipt of Annual Report or dividend, dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc.
- 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 31<sup>st</sup> March, 2017.

#### C. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Board of Directors of Company comprises of Four Non-Executive Directors out of which three are Non-Independent Directors. The Nomination and Remuneration Committee is under the Chairmanship of a Non-Executive Independent Director. The terms of reference of this Committee include the role of Committee as stipulated in Regulation 19(4) of LODR and also confirm the requirement of Section 178 of the Companies Act, 2013.

The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of whole time directors, senior managerial personnel, identify persons who may be appointed as directors or in position of senior management of the Company, preliminary evaluation of every Director's performance, approval of remuneration and performance bonus of Directors and KMPs, Board diversity, compliance of the code of conduct for Independent Directors referred to in Schedule IV of the Companies Act, 2013, Compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliance to the Board of Directors and any other matters which the Board of Directors may direct from time to time. The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

The Nomination and Remuneration Committee which was constituted has met once on 13th August 2016 during the financial year 2016-2017.

The composition of the Committee and the attendance details of the members are given below:

Director	Designation	No. of meetings attended
Mr. H.M Dugar	Chairman	NIL
Mr. Swamy S.B Das	Member	1
Mr. Sanjay Solanki	Member	1
Mr. S.K.Kabra	Member	1



The Brief Remuneration Policy of the company is as under:-

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

The detailed remuneration policy is posted on the website of the Company [www.adityaispat.com](http://www.adityaispat.com).

Details of remuneration to director for the year 2016-2017 is as follows:-

Name	Designation	Remuneration (Rs. In Lacs)
Mr. S.B. Chachan	Managing Director	12

#### D. Risk Management Committee

In terms of Regulation 21 of LODR , the Company has constituted a Risk Management Committee (RMC) for framing, implementing and monitoring the risk management policy of the Company.

The terms of reference of the Committee are:

- Overseeing key risks, including strategic, financial, operational and compliance risks.
- Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy.
- Developing risk management policy and risk management system/framework for the Company.

One meeting of the Committee was held during the year on 13<sup>th</sup> February, 2017

The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Designation	No. of meetings attended
Mr. S.K.Kabra	Chairman	1
Mr. S.B Chachan	Member	1
Mr. Sanajay Solanki	Member	1
Mr. Swamy S.B Das	Member	1
Mr. H.M Dugar	Member	1
Mrs. Usha Chachan	Member	1

#### General Body 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
23 <sup>rd</sup> AGM	29.09.2014	10.30.A.M	Rajasthan Graduates Associaion,Abids, Hyderabad	Nil
24 <sup>th</sup> AGM	30.09.2015	10.30.A.M	Rajasthan Graduates Associaion,Abids, Hyderabad	1
25 <sup>th</sup> AGM	30.09.2016	10.30.A.M	Rajasthan Graduates Associaion,Abids, Hyderabad	NIL

During the year under review, neither any resolution was put through postal ballot nor is any resolution proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

#### Code of Conduct

- The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its board members, Key Managerial Personnel and senior management personnel.

- (b) The code of conduct of the Company has been posted on the website of the Company.
- (c) The affirmation of compliance of code of conduct for the year 2016-17 has been received from all the board members, Key Managerial Personnel and senior management personnel.

#### DISCLOSURES:

- (i) **Disclosure on materially significant related party transactions, i.e. transaction of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:**

No such transaction took place during the year ended 31st March, 2017.

- (ii) **Disclosure by Senior Management in accordance with Regulation 26(5) of LODR:**

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

- (iii) **Disclosure on compliance of law:**

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

- (iv) **Vigil mechanism / Whistle Blower Policy:**

The Company has a Vigil mechanism/ Whistle Blower Policy which is posted on the website of the Company for its directors and employees to report their concerns about the Company's working or about any violation of its policies and no personnel are being denied any access to the Audit Committee.

- (v) **Code for prevention of Insider Trading Practices**

In compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred to as "Regulation"), the Company has in place a comprehensive code of conduct for its Directors and Senior Management Personnel. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. Also the Board has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as required under Regulation 8 read with Schedule A of Regulation.

Mr Mahendra N Soni, Company Secretary, is the Compliance Officer of the Company who also acts as the Chief Investor Relations Officer.

- (vi) **Certificate from the Managing Director and Chief Financial officer**

In terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Certificate from Mr. Satya Bhagwan Chachan, Managing Director and Mrs. Alphonsa Domingo, Chief Financial Officer for the financial year ended 31st March, 2017 was placed before the Board of Directors of the Company in its meeting held on 14th August, 2017.

- (vii) **Sexual Harassment Policy**

The Company has in place an Anti Sexual Harassment policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaint Committee set up for the purpose did not receive any complaints for redressal during the year.

- (viii) **Details of compliance with mandatory requirements and adoption of non-mandatory requirement.**

The Company has complied with all the Mandatory Requirements. The applicable Non Mandatory Requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

- (ix) The Company has complied with all applicable requirement specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### Management Discussion and Analysis

The Management Discussion and Analysis as required by the Listing Regulation is annexed herein by reference and forms an integral part of this Annual Report.

#### 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.

For the year ended March, 2017, results were announced on:

First quarter ended June 30.06.16	:	13.08.2016
Second quarter ended September 30, 2016	:	14.11.2016
Third quarter ended December 31, 2016	:	13.02.2017
Fourth quarter ended March,31, 2017	:	30.05.2017

#### General Shareholder information:

##### a. Annual General Meeting

Date	:	25 <sup>th</sup> September, 2017.
Day	:	Monday
Time	:	10.30 A.M.
Venue	:	Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1 <sup>st</sup> Floor, Abids, Hyderabad – 500 001.

#### Financial Calendar (tentative and subject to change):

The unaudited / audited financial results of the Company for following quarters ending/year ending will be published on or before the dates mentioned against the respective period:

For the Quarter ending 30th June, 2017 (Unaudited) : 14th August, 2017

For the Quarter ending 30th September, 2017 (Unaudited) : 14th November, 2017

For the Quarter ending 31st December, 2017 (Unaudited) : 14th February, 2018

For the Year ending 31st March, 2018 (Audited) : 30th May, 2018

Annual General Meeting for the year ending 31st March, 2017 : End of September 2018

##### b. Book Closure:

The dates of book closure are from 18th September, 2017 to 25<sup>th</sup> September, 2017 (both days inclusive)

##### c. Listing on Stock Exchanges:

As on March, 31<sup>st</sup>, 2017, 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.

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

2. The Calcutta Stock Exchange Limited, 7, Lyons Range, KOLKATA- 700 001  
The Company's stock code at Calcutta Stock Exchange is **100 11082**

The Company is in process of delisting its equity shares from the The Calcutta Stock Exchange Limited.

##### e. Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2017-2018 to the Stock Exchanges.

f. **Custodial Fees for Depositories:**

The Company has paid the Annual Custodial fees for the year 2017-2018 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

g. **Stock Market Data for the year 2016-2017:**

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, 2016	3.00	2.90	650
May,2016	2.99	2.85	1001
June 2016	4.06	2.70	15866
July 2016	5.52	4.26	43339
August,2016	6.94	5.75	9243
September, 2016	6.60	5.96	2527
October, 2016	5.75	4.75	21321
November, 2016	5.75	5.23	855
December, 2016	5.04	4.75	6522
January, 2017	5.29	5.00	1997
February, 2017	5.10	4.70	2251
March, 2017	4.70	4.47	8921

h. **Address for Correspondence for Share transfer and related matters:**

All application for Transfer of Shares, dematerialization of shares and other related matters may be sent to M/ S XL SOFTECH SYSTEMS PRIVATE LIMITED, Registrar & Share Transfer Agent of the Company for both physical shares and electronic connectivity, at the following address:

**M/s XL Softech Systems Private Limited**

3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034 Tel No.: 23545913 Fax : 23553214,  
E-mail : xlfield@gmail.com SEBI Regn. No.: INE 037E01016

i. **Distribution of Shareholding as on 31.03.2017**

From	To	No.of holders	% to Total	Share Amount In Rs.	% to Total
1	5000	6187	90.39	10243900	19.15
5001	10000	366	5.35	3166670	5.92
10001	20000	140	2.05	2159280	4.04
20001	30000	47	0.69	1217340	2.28
30001	40000	30	0.44	1091660	2.04
40001	50000	20	0.29	946980	1.77
50001	100000	25	0.37	1689350	3.16
100001	Above	30	0.44	32984820	61.65
TOTAL		6845	100.00	53500000	100.00

## j. Shareholding Pattern as on 31.03.2017

	Category	No.of Shares Held	% of Shares Holding
<b>A.</b>	<b>Promoters</b>		
1	Promoters Indian Promoters	1301100	24.32
2	Foreign Promoters person acting in concert	NIL	NIL
	<b>Sub Total</b>	<b>1301100</b>	<b>24.32</b>
<b>B.</b>	<b>Non Promoters Holding</b>		
3)	Institutional Investors		
a)	Mutual Funds and UTI	-	-
b)	Banks, Financial Institutions	NIL	NIL
	Insurance Non-Govt. Institutions	-	-
c)	Foreign Financial Institutions		
	<b>Sub Total</b>	<b>NIL</b>	<b>NIL</b>
4)	Others		
a)	Private Bodies Corporate	1576386	29.47
b)	Indian Public	2450968	45.81
c)	Non Resident Indian	20283	0.38
d)	Any Others to specify	1263	0.02
	<b>Sub Total</b>	<b>40,48,900</b>	<b>75.68</b>
	<b>Grand Total</b>	<b>53,50,000</b>	<b>100.00</b>

## k. Dematerialization of shares:

As on 31<sup>st</sup> March, 2017, 4611860 shares being 86.20% of the total number of 53,50,000 shares are in dematerialized form. Members can hold shares in electronic forms and trade the same in Depository system. However, they may hold the same in physical form also. The company's shares are compulsorily traded in dematerialized form.

## l. Outstanding global depository receipts:

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

m. In accordance with the Companies Act, 2013 read with rules made there under, the Annual Report and Accounts, Notices, Annual General Meeting Notice, Postal Ballot Notice, circulars etc. will be sent by electronic transmission to those shareholders whose e-mail addresses are made available to the Company by the shareholders and the depository. Documents e-mailed to shareholders will be available on the Company's website [www.adityaispat.com](http://www.adityaispat.com) to enable shareholders to read and download a copy, if required. Physical copies of the documents will be sent to those shareholders who have made a specific request in writing for the same. For the year 2016-2017, the Company will follow the same procedure.

## n. Information as per Regulation 36(3) of the Listing Regulations

Information pursuant to Regulation 36(3) of the Listing Regulations pertaining to particulars of directors to be reappointed at the forthcoming Annual General Meeting is enclosed as an annexure to the notice convening the Annual General Meeting.

## o. Compliance Certificate from the Practicing Company Secretaries

The Company has obtained a certificate from the Manjeet Bucha & Associates, Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) and Schedule V(e) of the Listing Regulation. The certificate is annexed.

## p. 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.

q. Website and email id of the Company: Website:[www.adityaispat.com](http://www.adityaispat.com), Email id:[info@adityaispat.com](mailto:info@adityaispat.com)

E-mail for Investors Grievances : [invgreivance@adityaispat.com](mailto:invgreivance@adityaispat.com)

## CEO AND CFO CERTIFICATION

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board terms in Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this report.

### CEO / CFO CERTIFICATE

(In pursuance of the Listing Regulations)

To,  
The Board of Directors  
Aditya Ispat Limited

1. We have reviewed financial statements and the cash flow statement of Aditya Ispat Limited for the year ended 31st March, 2017 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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 transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Sd/-  
(Alphonsa Domingo)  
Chief Financial Officer

Sd/-  
(S B Chachan)  
Chairman and Managing Director

Place:Hyderabad  
Date:30th May, 2017

### CERTIFICATE OF MANAGING DIRECTOR ON CODE OF CONDUCT

To,  
**The Members of Aditya Ispat Limited.,**

It is hereby certified that :-

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel.
- (b) The Code of Conduct of the Company has been posted on the website of the Company.
- (c) The affirmation of compliance of code of conduct for the year 2016-2017 has been received from all the Board members and senior management personnel.

Place : Hyderabad  
Date : 14.08.2017

For ADITYA ISPAT LIMITED  
Sd/-  
S.B.CHACHAN  
Chairman & Managing Director.

**MANJEET BUCHA & ASSOCIATES  
COMPANY SECRETARIES**

D.No. 204, 2nd Floor, Shakti Sai Complex, Beside Uday Clinic,  
Chapel Road, Abids, Hyderabad - 500 001. Tel : 66255001  
Cell : 9346955001, E-mail : manjeetbucha@gmail.com

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Aditya Ispat Limited  
Hyderabad

We have examined the compliance of conditions of corporate governance by Aditya Ispat Limited ('the Company'), for the year ended on 31 March 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15 (2) of the Listing Regulations.

The compliance of conditions 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 the company has complied in all material respects with the conditions of corporate governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, pursuant to listing regulations of the said company with stock exchanges.

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 MANJEET BUCHA & ASSOCIATES  
Company Secretaries

Place : Hyderabad  
Date : 30.05.2017

Sd/-  
(MANJEET BUCHA)  
Proprietor  
Membership No: F 8305  
C.P No: 4589

**DAGLIYA & CO.**

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members  
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 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and in terms of the information and explanation sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
  - (ii) According to the information and explanation given to us, the management has conducted the physical verification of inventory at reasonable intervals and on such verification no material discrepancies were noticed.
  - (iii) Based on the audit procedures performed and on the basis of the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) is not applicable to the Company.
  - (iv) As per the information and explanation given to us, the company has neither granted any loan, nor made any investment, nor given any guarantee or security to parties covered under the provisions of section 185 and 186 of Companies Act, 2013. Thus Paragraph 3(iv) is not applicable to the company.
  - (v) The Company has not accepted any deposits from the public.
  - (vi) In our opinion and according to the information and explanations given to us, the company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records & Audit) Amendment Rules, 2014.
  - (vii) a) According to the records of the company it is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 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 dues of income tax, sales tax, service tax, duty of customs and duty of excise, value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
  - (viii) According to the information and explanations given to us, the Company has taken loan from banks and it has not defaulted in repayment of such loans to banks.
  - (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loan taken has been applied for the purpose for which it was taken.
  - (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, the company has complied with the provisions of section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or issued fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.
- II. As required by Section 143(3) of the Act, we report that
- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - v. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - vii. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a) The Company does not have any pending litigations which would impact its financial position
    - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
    - d) The Company has provided requisite disclosure in financial statements as to holding as well as dealings in specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that disclosures are in accordance with books of account maintained by the company and as produced to us by the management.

For DAGLIYA & CO.  
Chartered Accountants,  
(ICAI Firm Reg. No. 671S)  
Sd/-  
(JITENDRA KUMAR JAIN)

Partner

M.No: 18398

Place : Hyderabad

Date : 30.05.2017

## ANNEXURE A TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Ispat Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting ('Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered accountants of India.

Place : Hyderabad

Date : 30.05.2017

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

Sd/-

(JITENDRA KUMAR JAIN)

Partner

M.No: 18398

## BALANCE SHEET AS AT 31ST MARCH, 2017

(Amounts in Rupees)

Sl. No.	PARTICULARS	Note No.	AS AT 31.03.2017	AS AT 31.03.2016
<b>I.</b>	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
(a)	Share Capital	<b>2.01</b>	<b>53,500,000</b>	53,500,000
(b)	Reserves and Surplus	<b>2.02</b>	<b>31,489,890</b>	27,291,165
			<b>84,989,890</b>	<b>80,791,165</b>
<b>2</b>	<b>Non-current Liabilities</b>			
(a)	Long Term Borrowings	<b>2.03</b>	<b>9,460,488</b>	3,780,492
(b)	Other Long Term Provisions	<b>2.04</b>	<b>760,276</b>	642,054
(c)	Deferred Tax Liabilities (Net)	<b>2.05</b>	<b>5,406,208</b>	5,183,026
			<b>15,626,972</b>	<b>9,605,572</b>
<b>3</b>	<b>Current Liabilities</b>			
(a)	Short Term Borrowings	<b>2.06</b>	<b>117,772,456</b>	101,925,557
(b)	Trade Payables	<b>2.07</b>		
	Micro, Small and Medium Enterprises		-	-
	Others		<b>41,934,605</b>	15,767,408
(c)	Other Current Liabilities	<b>2.08</b>	<b>10,116,868</b>	9,606,497
(d)	Short Term Provisions	<b>2.09</b>	<b>470,265</b>	193,945
			<b>170,294,194</b>	<b>127,493,407</b>
	<b>GRAND TOTAL</b>		<b>270,911,056</b>	<b>217,890,144</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current Assets</b>			
(a)	Fixed Assets			
	Tangible Assets	<b>2.10</b>	<b>56,551,592</b>	58,444,050
	Capital Work in Progress		-	-
(b)	Long-term Loans and Advances	<b>2.11</b>	<b>953,483</b>	845,726
			<b>57,505,075</b>	<b>59,289,776</b>
<b>2</b>	<b>Current Assets</b>			
(a)	Inventories	2.12	<b>54,378,339</b>	37,403,311
(b)	Trade Receivables	2.13	<b>150,593,562</b>	109,328,060
(c)	Cash and Bank Balances	2.14	<b>2,496,626</b>	7,470,636
(d)	Short-Term Loans and Advances	2.15	<b>5,833,104</b>	4,284,870
(e)	Other Current Assets:	2.16	<b>104,350</b>	113,494
			<b>213,405,981</b>	<b>158,600,371</b>
	<b>GRAND TOTAL</b>		<b>270,911,056</b>	<b>217,890,147</b>

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

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

As per our report attached

For Dagliya &amp; Co.

For and on behalf of the Board

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

Sd/-

**(Jitendra Kumar Jain)**Partner  
M.No.18398

Place : Hyderabad

Date : 30.05.2017

Sd/-

**(S.B.Chachan)**Chairman  
Managing Director  
Din: 00080463

Sd/-

**(Sanjay Solanki)**Director  
Din: 02378551

Sd/-

**(Alphonsa Domingo)**

Chief Financial Officer

Sd/-

**(Mahendra N. Soni)**

Company Secretary

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amounts in Rupees)

PARTICULARS	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>Revenue from Operations</b>			
<b>I Revenue from Operations</b>	2.17	<b>388,068,833</b>	314,952,259
Less: Excise Duty		<b>21,938,422</b>	17,829,386
Revenue from Operations(Net)		<b>366,130,411</b>	297,122,873
<b>II Other income</b>	2.18	<b>520,254</b>	524,629
<b>III Total Revenue</b>		<b>366,650,665</b>	297,647,502
<b>IV Expenses:</b>			
a Cost of Material Consumed	2.19	<b>155,893,976</b>	122,591,435
b Purchase of Stock-in-Trade	2.20	<b>159,458,649</b>	108,077,180
c Changes in Inventories of Finished Goods and Stock-in-Trade	2.21	<b>(1,567,402)</b>	16,648,298
d Employees Benefit Expenses	2.22	<b>3,616,210</b>	6,602,929
e Finance Costs	2.23	<b>11,657,279</b>	9,185,163
f Depreciation	2.10	<b>3,988,433</b>	3,776,751
g Other Expenses	2.24	<b>27,475,938</b>	26,050,344
<b>V Total Expenses</b>		<b>360,523,083</b>	292,932,100
<b>VI Profit Before Tax</b>		<b>6,127,582</b>	4,715,402
<b>VII Tax Expense</b>			
a Current Tax	2.25	<b>1,705,675</b>	853,852
b Deferred Tax		<b>223,182</b>	644,103
<b>Profit For The Year</b>		<b>4,198,725</b>	3,217,447
Earnings Per Equity Share (Basic & Diluted)	2.29	<b>0.78</b>	0.60
Wt Average No.of Equity shares of Rs. 100 each considered for calculation of earnings per share		<b>5,350,000</b>	5,350,000

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

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

As per our report attached

For Dagliya &amp; Co.

For and on behalf of the Board

Chartered Accountants  
(ICAI Firm Reg.No. 671S)Sd/-  
**(Jitendra Kumar Jain)**  
Partner  
M.No.18398  
Place : Hyderabad  
Date : 30.05.2017Sd/-  
**(S.B.Chachan)**  
Chairman  
Managing Director  
Din: 00080463Sd/-  
**(Sanjay Solanki)**  
Director  
Din: 02378551Sd/-  
**(Alphonsa Domingo)**  
Chief Financial OfficerSd/-  
**(Mahendra N. Soni)**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in Rs.

	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A Cash Flow from Operating Activities:</b>		
<b>1 Net profit before Tax &amp; Extraordinary items</b>	6,127,582	4,715,402
<b>2 Adjustments for:</b>		
a Depreciation	3,988,433	3,776,751
b Interest & Finance Cost	10,959,787	8,698,279
c Interest Income	(238,254)	(418,982)
<b>Operating Profit before Working Capital Changes</b>	<b>20,837,548</b>	16,771,450
<b>3 Adjustments for:</b>		
a Trade Receivables	(41,265,502)	(35,822,655)
b Short Term Loans & Advances & Other Current Assets	1,423,024	153,764
c Long Term Loans & Advances	(107,757)	(556,674)
d Inventories	(16,975,028)	14,034,868
e Long Term and Short Term Provisions	394,542	143,293
f Trade Payables and Other Current Liabilities	26,677,568	4,120,977
<b>Cash Generated from Operations</b>	<b>(9,015,605)</b>	(1,154,977)
Less: Direct Taxes paid	(1,705,675)	(853,852)
<b>Net Cash from Operating Activities</b>	<b>(10,721,280)</b>	<b>(2,008,829)</b>
<b>B CashFlow from Investing Activities</b>		
a Addition to Fixed Assets including CWIP	(2,095,975)	(3,083,621)
b Interest Received	238,254	418,982
<b>Net Cash used in Investing Activities</b>	<b>(1,857,721)</b>	<b>(2,664,639)</b>
<b>C Cash flow from financing activities</b>		
a Interest & Finance Cost paid	(10,959,786)	(8,698,280)
b Proceeds from Long Term & Short Term Borrowings	21,526,895	15,191,700
<b>Net cash used in Financial activities</b>	<b>10,567,109</b>	<b>6,493,420</b>
Cash flow during the year	(2,011,892)	1,819,953
Cash and cash equivalents at the beginning of the year	3,003,549	1,183,596
Cash and cash equivalents at the end of the year	991,657	3,003,549
<b>Components of cash and cash equivalents :</b>		
Balance with banks in Current Accounts	716,762	2,269,983
Cash on hand	274,895	733,566
	<b>991,657</b>	<b>3,003,549</b>

**Note:** i) Figures in bracket represent outflow.

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

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

"As per our report of even date attached"

For Dagliya & Co. For and on behalf of the Board  
Chartered Accountants  
(ICAI Firm Reg.No. 671S)

Sd/- <b>(Jitendra Kumar Jain)</b> Partner M.No.18398 Place : Hyderabad Date : 30.05.2017	Sd/- <b>(S.B.Chachan)</b> Chairman Managing Director Din: 00080463	Sd/- <b>(Sanjay Solanki)</b> Director Din: 02378551	Sd/- <b>(Alphonsa Domingo)</b> Chief Financial Officer	Sd/- <b>(Mahendra N. Soni)</b> Company Secretary
---	--	--	--	--

Note :1

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

- a) **Basis of accounting:** The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

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 Schedule III of the Companies Act, 2013. 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 on the basis of useful life of the fixed assets as prescribed under schedule II of the Companies Act, 2013.
- 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) **Revenue recognition:**  
**Sale of goods:** Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of goods are transferred to the buyer as per the terms of the contract. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales include excise duty and sales tax.  
**Sale of services:** Revenue from services is recognised in accordance with the specific terms of contract on performance.  
**Other operating revenues:** Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract  
**Interest Income:** Interest income is accounted on accrual basis.
- 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

- k) **Foreign Currency Transactions:** Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Any income or expense on account of exchange differences either on settlement or on the date of transaction is recognised in the statement of profit or loss in the period it arises.
- l) **Borrowing Costs:** Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note No.	PARTICULARS	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.
----------	-------------	-----------------------------	-----------------------------

**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:**

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

**b Issued, Subscribed & Paid Up**

53,50,000 (P.Y 53,50,000) Equity Shares of Rs.10/- **53,500,000** 53,500,000

each fully paid up -----

**53,500,000** 53,500,000

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

	As at 31-03-2017	As at 31-03-2016
At the beginning of the period	<b>5,350,000</b>	5,350,000
Issued during the year	-	-
At the end of the reporting period	<b>5,350,000</b>	5,350,000

**d The details of Shareholders Holding more than 5% Equity Shares of the Company are set out below:**

Name of Shareholders	As at 31-03-2017		As at 31-03-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 S D Chachan Commercial Pvt Ltd	<b>512,100</b>	<b>9.57%</b>	512,100	9.57%
2 Chachan Consultancy Pvt Ltd	<b>415,800</b>	<b>7.77%</b>	415,800	7.77%
3 P S Credit & Trading Pvt Ltd	<b>301,427</b>	<b>5.63%</b>	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 accounting period **4,190,190** 4,190,190

Additions during the year - -

At the end of the accounting period **4,190,190** 4,190,190

**b Securities Premium**

At the beginning of the accounting period **500,000** 500,000

Additions during the year - -

At the end of the accounting period **500,000** 500,000

**c Surplus in Statement of Profit & Loss**

At the beginning of the accounting period **22,600,975** 19,383,528

Additions during the year **4,198,725** 3,217,447

Less: Depreciation adjustment -- --

At the end of the accounting period **26,799,700** 22,600,975

**GRAND TOTAL** **31,489,890** **27,291,165**

<b>Note No.</b>	<b>PARTICULARS</b>	<b>As at 31 March, 2017</b> Rs.	<b>As at 31 March, 2016</b> Rs.																
	<b>Non-current Liabilities</b>																		
2.03	<b>Long Term Borrowings</b>																		
	<b>Secured</b>																		
	Term loans from banks (Secured against hypothecation of machinery)	9,460,488	3,780,492																
		-----	-----																
		<b>9,460,488</b>	<b>3,780,492</b>																
	<b>Terms of repayment</b>																		
	Vehicle loans are repayable in equal monthly instalments over the term of the loan ranging to 3 years.																		
2.04	<b>Other Long Term Provisions</b>																		
	- Due to employees	760,276	642,054																
		-----	-----																
		<b>760,276</b>	<b>642,054</b>																
2.05	<b>Deferred Tax Liabilities (Net)</b>																		
	Major components of Deferred Tax (Assets) / Liabilities consist of the following																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">PARTICULARS</th> <th style="width: 10%;">As at 31-03-2017</th> <th style="width: 15%;">Movement during the year</th> <th style="width: 15%;">As at 31-03-2016</th> </tr> </thead> <tbody> <tr> <td>i Relating to Fixed Assets</td> <td style="text-align: right;">5,682,092</td> <td style="text-align: right;">264,141</td> <td style="text-align: right;">5,417,951</td> </tr> <tr> <td>ii Provision for Gratuity</td> <td style="text-align: right;">(275,884)</td> <td style="text-align: right;">(40,959)</td> <td style="text-align: right;">(234,925)</td> </tr> <tr> <td><b>Deferred Tax Liabilities (Net)</b></td> <td style="text-align: right;"><b>5,406,208</b></td> <td style="text-align: right;"><b>223,182</b></td> <td style="text-align: right;"><b>5,183,026</b></td> </tr> </tbody> </table>	PARTICULARS	As at 31-03-2017	Movement during the year	As at 31-03-2016	i Relating to Fixed Assets	5,682,092	264,141	5,417,951	ii Provision for Gratuity	(275,884)	(40,959)	(234,925)	<b>Deferred Tax Liabilities (Net)</b>	<b>5,406,208</b>	<b>223,182</b>	<b>5,183,026</b>		
PARTICULARS	As at 31-03-2017	Movement during the year	As at 31-03-2016																
i Relating to Fixed Assets	5,682,092	264,141	5,417,951																
ii Provision for Gratuity	(275,884)	(40,959)	(234,925)																
<b>Deferred Tax Liabilities (Net)</b>	<b>5,406,208</b>	<b>223,182</b>	<b>5,183,026</b>																
	<b>Current Liabilities</b>																		
2.06	<b>Short-term Borrowings:</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>																
	Secured Loans from banks :																		
	Cash Credit from Allahabad Bank		101,925,557																
	Cash Credit from CUB LTD (Secured against hypothecation of Stocks & FDR)	117,772,456																	
		-----	-----																
		<b>117,772,456</b>	<b>101,925,557</b>																
2.07	<b>a Trade Payables</b>																		
	- Due to Micro and Small Enterprises	-	-																
	- Other Payables	41,934,605	15,767,408																
		-----	-----																
		<b>41,934,605</b>	<b>15,767,408</b>																
	<b>b</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.																		

Note No.	PARTICULARS	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.
<b>2.08</b>	<b>Other Current Liabilities</b>		
	Current Maturities of Long Term Debt	4,417,591	1,815,186
	Current Maturities of Finance Lease Obligations	-	414,117
	Advances from Customers	179,256	1,010,636
	Rent Deposits	100,000	-
	Excise Duty on Closing Stock	1,168,444	1,545,999
	Other Liabilities-		
	Statutory dues	92,846	233,364
	Dues for capital goods	6,426	426,282
	Due to Employees	272,421	543,984
	Creditors for Expenses	3,879,884	3,616,929
		-----	-----
		10,116,868	9,606,497
<b>2.09</b>	<b>Short Term Provisions</b>		
	Provision for Gratuity(Short term)	132,553	118,222
	Provision for tax	337,712	75,723
		-----	-----
		470,265	193,945

**2.10 FIXED ASSETS**

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 1st April 2016	Additions	Deletion	As at 31st Mar. 2017	As at 1st April 2016	For the Year	Adjust- ments/ Deletion	As at 31st Mar. 2017	As at 31st Mar. 2017	As at 31st Mar. 2016
<b>OWNED &amp; TANGIBLE</b>										
1 Land	7,705,506	-	-	7,705,506	-	-	-	7,705,506	7,705,506	7705506
2 Office building	3,496,065	-	-	3,496,065	397,399	55,210	-	452,609	3,043,456	3,098,666
3 Buildings	14,445,394	80,827	-	14,526,221	4,448,230	442,616	-	4,890,846	9,635,375	9,997,164
4 Plant & Machinery	43,749,025	1,922,158	-	45,671,183	11,675,021	2,662,247	-	14,337,268	31,333,915	32,074,004
5 Shops	2,347,829	-	-	2,347,829	451,604	36,445	-	488,049	1,859,780	1,896,225
6 Electrical Installation	987,180	-	-	987,180	558,806	116,834	-	675,640	311,540	428,374
7 Office Equipment	240,757	-	-	240,757	228,717	-	-	228,717	12,040	12,040
8 Furniture & Fixtures	176,767	-	-	176,767	112,777	16,744	-	129,521	47,246	63,990
9 Weighing Scale	79,037	15,000	-	94,037	39,030	4,356	-	43,386	50,651	40,007
10 Vehicles	4,911,368	-	-	4,911,368	2,724,550	479,426	-	3,203,976	1,707,392	2,186,818
11 Computers	173,166	77,990	-	251,156	158,358	27,522	-	185,880	65,276	14,808
12 Borewell	126,794	-	-	126,794	46,779	4,015	-	50,794	76,000	80,015
13 Electrical Equipment	1,273,176	-	-	1,273,176	426,743	143,018	-	569,761	703,415	846,433
Total :-	79,712,064	2,095,975	-	81,808,039	21,268,014	3,988,433	-	25,256,447	56,551,592	58,444,050
Previous Year	73,804,358	5,907,706	-	79,712,064	17,491,263	3,776,751	-	21,268,014	58,444,050	

<b>2.11</b>	<b>Long term loans and advances:</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	(Unsecured & Considered Good unless otherwise stated)		
	Deposits with Government	10,200	10,200
	Electricity Deposits	935,283	819,418
	Telephone Deposits	8,000	13,707
	Deposits with Others	-	2,401
		-----	-----
		953,483	845,726

Note No.	PARTICULARS	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.
	<b>CURRENT ASSETS</b>		
<b>2.12</b>	<b>Inventories:</b> (As taken, valued & Certified by the Management and accepted by the Auditors) (Valued at lower of cost or net realisable value)		
	Raw Material	32,338,947	14,813,679
	Finished Goods	9,830,562	12,504,280
	Trading Goods	11,844,801	8,930,405
	Scrap	130,804	350,079
	Tools, Dies & Consumables	233,225	804,868
		-----	-----
		<b>54,378,339</b>	<b>37,403,311</b>
<b>2.13</b>	<b>Trade Receivables:</b> (Unsecured & Considered Good unless otherwise stated)		
i	Debts Outstanding for more than 6 months	8,595,361	13,794,670
ii	Other Debts	141,998,201	95,533,390
		-----	-----
		<b>150,593,562</b>	<b>109,328,060</b>
<b>2.14</b>	<b>Cash &amp; Bank Balances :</b>		
<b>a</b>	<b>Cash &amp; Cash Equivalents :</b>		
i	Balance with Banks		
	- Current Account	716,762	2,269,983
ii	Cash on Hand	274,895	733,566
		991,657	3,003,549
<b>b</b>	<b>Other bank balances</b>		
	- Fixed Deposits (Pledged with Banks)	1,504,969	4,467,087
		-----	-----
		<b>2,496,626</b>	<b>7,470,636</b>
<b>2.15</b>	<b>Short term loans &amp; advances:</b> (Unsecured & considered good unless otherwise stated)		
	Advances Recoverable in Cash or in Kind for value to be received		
	Advance to Others	1,244	91,439
	MAT Credit entitlement account	351,147	839,437
	Advance to Suppliers	61,809	61,809
	Advances to Employees	51,000	38,020
	Deposit with Suppliers	579,850	75,000
	Income Tax Refundable	79,786	79,786
	Interest Receivable	47,264	53,182
	Rent Receivable	24,000	
	Balances with Government Authorities	4,637,004	3,046,197
		-----	-----
		<b>5,833,104</b>	<b>4,284,870</b>
<b>2.16</b>	<b>Other Current Assets:</b>		
	Prepaid Expenses	104,350	113,494
		-----	-----
		<b>104,350</b>	<b>113,494</b>

Note No.	PARTICULARS	For the year ended 31-03-2017	For the year ended 31-03-2016
<b>2.17</b>	<b>Revenue from operations</b>		
	Sales		
	- Bright bars	<b>91,147,090</b>	72,966,454
	- Traded Steel Rounds & Bars	<b>177,943,514</b>	144,666,268
	- Others	<b>118,843,145</b>	94,733,572
	Jobwork income	<b>135,084</b>	2,585,965
		-----	-----
		<b>388,068,833</b>	314,952,259
<b>2.18</b>	<b>Other Income:</b>		
	Interest on Deposits	<b>238,254</b>	418,982
	Other Income	<b>282,000</b>	105,647
		-----	-----
		<b>520,254</b>	524,629
<b>2.19</b>	<b>Cost of Materials Consumed:</b>		
	<b>Consumption of materials</b>		
	- Steel bars	<b>69,917,424</b>	59,462,633
	- Wire Rod Coil	<b>81,263,515</b>	57,842,206
	- Others	<b>4,713,037</b>	8,284,709
		-----	-----
		<b>155,893,976</b>	122,591,435
	The above materials consumed are 100% Indigenous		
<b>2.20</b>	<b>Purchase of Stock-in-Trade</b>		
	Purchases during the year	<b>159,458,649</b>	108,077,180
		-----	-----
		<b>159,458,649</b>	108,077,180
<b>2.21</b>	<b>Changes in Inventories of Finished Goods and Stock-in-Trade</b>		
	At the beginning of the accounting period		
	- Scrap	<b>350,079</b>	562,781
	- Stock-in-Trade	<b>8,930,405</b>	32,421,441
	- Finished Goods	<b>12,504,280</b>	6,228,924
		-----	-----
		<b>21,784,764</b>	39,213,146
	Less : Excise duty payable	<b>1,545,999</b>	780,084
		-----	-----
		<b>20,238,765</b>	38,433,062
	At the end of the accounting period		
	- Scrap	<b>130,804</b>	350,079
	- Stock-in-Trade	<b>11,844,801</b>	8,930,405
	- Finished Goods	<b>9,830,562</b>	12,504,280
		-----	-----
		<b>21,806,167</b>	21,784,764
		-----	-----
		<b>(1,567,402)</b>	16,648,298

Note No.	PARTICULARS	For the year ended 31-03-2017	For the year ended 31-03-2016
2.22 a	<b>Employees Benefits Expenses</b>		
	Salaries, Wages & Bonus	1,944,017	4,907,009
	Director's Remuneration	1,200,000	1,200,000
	Staff Welfare Expenses	99,017	135,965
	Contribution to E.S.I	77,760	86,816
	Contribution to PF	133,518	129,637
	Gratuity	132,553	118,222
	Leave Encashment	29,345	25,280
		-----	-----
		<b>3,616,210</b>	<b>6,602,929</b>

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

b.i	<b>Profit &amp; Loss Account</b>	For the year ended 31-03-2017	For the year ended 31-03-2016
	Current Service Cost	71,731	71,731
	Interest Cost on benefit obligation	60,822	46,491
	Expected return on plan assets	Nil	Nil
	Net Actuarial (gain)/ loss recognized in the year	--	--
		-----	-----
		<b>132,553</b>	<b>118,222</b>
	Past Services Cost	-	-
	<b>Net Benefit expenses</b>	<b>132,553</b>	<b>118,222</b>

b.ii **Balance Sheet**  
Details of provision for Gratuity

<b>Changes in the present value of the defined benefit obligation are as follows:</b>	For the year ended 31-03-2017	For the year ended 31-03-2016
Opening Defined Benefit obligation	760,276	642,054
Interest Cost	60,822	46,491
Current Service Cost	71,731	71,731
Benefits Paid	--	--
Actuarial (gains)/ losses on obligation	--	--
<b>Closing defined benefit obligation</b>	<b>892,829</b>	<b>760,276</b>

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

<b>Assumptions</b>	<b>%</b>	<b>%</b>
Salary Rise	4	4
Discount rate	8	8
Attrition Rate	5	5
Av Balance Service	18.5 years	

\* Actuarial valuation is conducted once in every three years.

Note No.	PARTICULARS	For the year ended 31-03-2017	For the year ended 31-03-2016
<b>2.23</b>	<b>Financial Costs:</b>		
	Interest	10,944,017	8,634,640
	Bank Charges	697,492	486,884
	Finance Charges	15,770	63,639
		-----	-----
		<b>11,657,279</b>	<b>9,185,163</b>
<b>2.24</b>	<b>Other Expenses:</b>		
<b>A</b>	<b>Manufacturing Expenses :</b>		
	Tools, Dies & Consumables	1,443,853	2,205,536
	Power & Fuel	4,114,869	4,848,118
	Jobwork charges	-	211,370
	Repairs & Maintenance to Plant & Machinery	324,304	371,678
	Material Handling Charges	90,526	108,173
		-----	-----
	<b>Total (A)</b>	<b>5,973,552</b>	<b>7,744,875</b>
<b>B</b>	<b>Administrative &amp; Selling Expenses</b>		
	Postage, Telephone & Telegram	153,504	195,104
	Rates & Taxes	143,746	129,466
	Printing & Stationery	89,337	121,277
	Travelling Expenses	40,876	22,642
	Legal & Professional Charges	233,853	189,340
	Miscellaneous Expenses	1,011,433	1,262,558
	Bad debts w/off	-	28,713
	Sales Tax	18,526,068	14,640,741
	Repairs & Maintenance to Other Assets	85,125	119,629
	ED on Finished Goods	1,168,444	1,545,999
	Audit Fees	50,000	50,000
		-----	-----
	<b>Total (B)</b>	<b>21,502,386</b>	<b>18,305,469</b>
		-----	-----
	<b>Grand total (A+B)</b>	<b>27,475,938</b>	<b>26,050,344</b>
<b>2.25</b>	<b>Current Tax</b>		
	Current Tax	1,701,888	906,410
	Less: MAT Credit Entitlement Account	--	(53,070)
	Add: Income Tax for earlier years	3,787	512
		-----	-----
		<b>1,705,675</b>	<b>853,852</b>
<b>2.26</b>	Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (P.y Rs. Nil)		
<b>2.27</b>	Contingent Liabilities not provided for towards unexpired bank guarantee – Rs. 1,50,00,000 (PY Rs.1,50,00,000)		



**2.28 Auditor's remuneration:**

Amount in Rs.

	F.Y 2016-2017	F.Y 2015-2016
A) Statutory Auditor		
(a) Statutory Audit Fees	30000	30000
(b) Tax Audit fees	20000	20000
<b>Total</b>	<b>50000</b>	<b>50000</b>

\*Apart from above Rs.15,000 paid towards Income Tax representation to Statutory Auditors.

**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 31.03.2017	For the year ended 31.03.2016
Net Profit/Loss after Tax	41,98,725	32,17,447
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/-)	0.78	0.60

**2.30 Managerial Remuneration**

	For the year ended 31.03.2017	For the year ended 31.03.2016
Remuneration to Managing Director	12,00,000	12,00,000

**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 Bapji Ispat (P) Ltd.
  - b. Key Management Personnel : Shri Satya Bhagwan Chachan – Managing Director  
Smt. Usha Chachan

- ii. Related Party Transactions: (Amount in Rs.)

Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Received Jai Bapji Ispat (P) Ltd	90,000 (90,000)			90,000 (90,000)
Remuneration S.B.Chachan	- (-)	12,00,000 (12,00,000)	- (-)	12,00,000 (12,00,000)

\* Figures in brackets represent previous year figures.

**2.32** The minimum lease rentals outstanding as on 31-03-2017 in respect of the assets taken on finance lease:

Due	Total Minimum Lease Payments Outstanding as on 31.03.2017	Future Outstanding Interest on	Present Value of Minimum Lease Payments
Within one year	---	---	---
Later than one year and not later than five years	---	---	---
Later than five years	---	---	---
<b>Total</b>	---	---	---

**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 31<sup>st</sup> March, 2017.

**2.34** The company does not have any non cancellable 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** Previous year figures have been regrouped/ recasted/ reclassified/ re-arranged wherever deemed necessary to conform to current year's classification.

**2.37** 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.

**2.38** Amounts, due and outstanding, to be credited to Investor Education and Protection Fund as on 31<sup>st</sup> March, 2017 - Nil. (p.y Nil).

**2.39** Earnings/Outgoings in foreign currency:

Earnings : Nil (Previous year Nil)

Outgo : Rs. Nil ( Previous year Rs 7.73 lakhs)

**2.40** Disclosure in respect 'Specified Bank Notes' as required by the amendment made to schedule III vide Notification dated 30th March, 2017 by Ministry of Corporate affairs is given here in below:

Particulars	SBN	Other Denomination Notes	Total
Closinc Cash in Hand as on 08.11.2016	1036500	69,480	11,05,980
(+) Permitted Receipts		2,44,965	2,44,965
(-) Permitted Payments	47000	2,82,697	3,29,697
(-) Amount Deposited in Banks	989500	-	9,89,500
Closing Cash in Hand as on 30.12.2016	-	31,748	31,748

As per our Report of even date attached

For Dagliya & Co.  
Accountants(ICAI Firm Reg.No. 671S)

For and on behalf of the BoardChartered

Sd/-  
**(Jitendra Kumar Jain)**  
Partner  
M.No.018398  
Place : Hyderabad  
Date : 30-05-2017.

Sd/-  
**(Mahendra N. Soni)**  
Company Secretary

Sd/-  
**(Alphonsa Domingo)**  
CFO

Sd/-  
**(S.B.Chachan)**  
Chairman & MD  
Din: 00080463

Sd/-  
**(Sanjay Solanki)**  
Director  
Din: 02378551

**FORM NO. SH - 13  
NOMINATION FORM**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the  
Companies (Share Capital and Debentures) Rules, 2014]

To  
**Aditya Ispat Limited**  
Plot No 20,Phase V,IDA,  
Jeedimetla,Hyderabad-500 055.

I/We \_\_\_\_\_ the  
holders(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate  
the following person(s) in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

Name and Address of the Nominee: \_\_\_\_\_

Signature of the Nominee : (1) \_\_\_\_\_  
(2) \_\_\_\_\_

Date of Birth (in case the Nominee is a minor): \_\_\_\_\_

Attach proof of Age (i.e. School Leaving Certificate or Birth Certificate)

PAN / Card / Addhar Card No. (Copy enclosed) \_\_\_\_\_

\*\* The Nominee is a minor whose guardian is \_\_\_\_\_  
Name and Address : \_\_\_\_\_

(\*\* to be deleted if not applicable)

1) Name of 1<sup>st</sup> Shareholder \_\_\_\_\_ (1) \_\_\_\_\_  
2) Name of 2<sup>nd</sup> Shareholder \_\_\_\_\_ (2) \_\_\_\_\_  
3) Name of 3<sup>rd</sup> Shareholder \_\_\_\_\_ (3) \_\_\_\_\_

(Signature with Date)

Address \_\_\_\_\_

(This Nomination Form must be signed by all the joint-holders)

**NAME & ADDRESS OF WITNESSES**

(Signature of Witnesses)

1. \_\_\_\_\_ 1. \_\_\_\_\_  
\_\_\_\_\_ 2. \_\_\_\_\_  
2. \_\_\_\_\_ 2. \_\_\_\_\_  
\_\_\_\_\_

**For Office Use Only**

Nomination Registration No. \_\_\_\_\_ Date of Registration \_\_\_\_\_

Seal of the Company/Registrar

**(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 applying/holding shares on their own behalf, singly or jointly upto two persons. 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 must 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.
12. Nomination stands rescinded upon transfer of shares.

**ADITYA ISPAT LIMITED**

CIN NO. L27109TG1990PLC012099

Registered Office : Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad – 500 055

Tel: 914023773675 Fax: 914023746169 E-mail info@adityaispat.com

Website : www.adityaispat.com

**26<sup>th</sup> ANNUAL GENERAL MEETING****Form No. MGT-11****PROXY FORM**

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

1. Name(s) of Member(s) :  
Including joint holders, if any
2. Registered address of the sole/ :  
First named Member
3. E-mail ID :
4. DP ID No. & Client ID No. :  
Registered Folio No. :

I / We, being the Member(s) of \_\_\_\_\_ share of Aditya Ispat Limited, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

as my /our proxy to attend and vote (on a poll) for me / our behalf at the 26<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Monday, 25<sup>th</sup> day of September, 2017 at 10.30 a.m at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Abids, Hyderabad – 500 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*I/We wish my above proxy(ies) to vote in the manner as indicated below:

Resolution Number	Description	Optional (∞)	
		For	Against
1	<b>Ordinary Business</b> Adoption of the Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. S.K. Kabra, Director who retires by rotation		
3	Appointment of M/s DCM & Co., Chartered Accountants as Auditors and to fix their remuneration.		

Signed this ..... day of .....2017.

Signature of Shareholder.....

Signature of first proxy holder

Signature of Second proxy holder

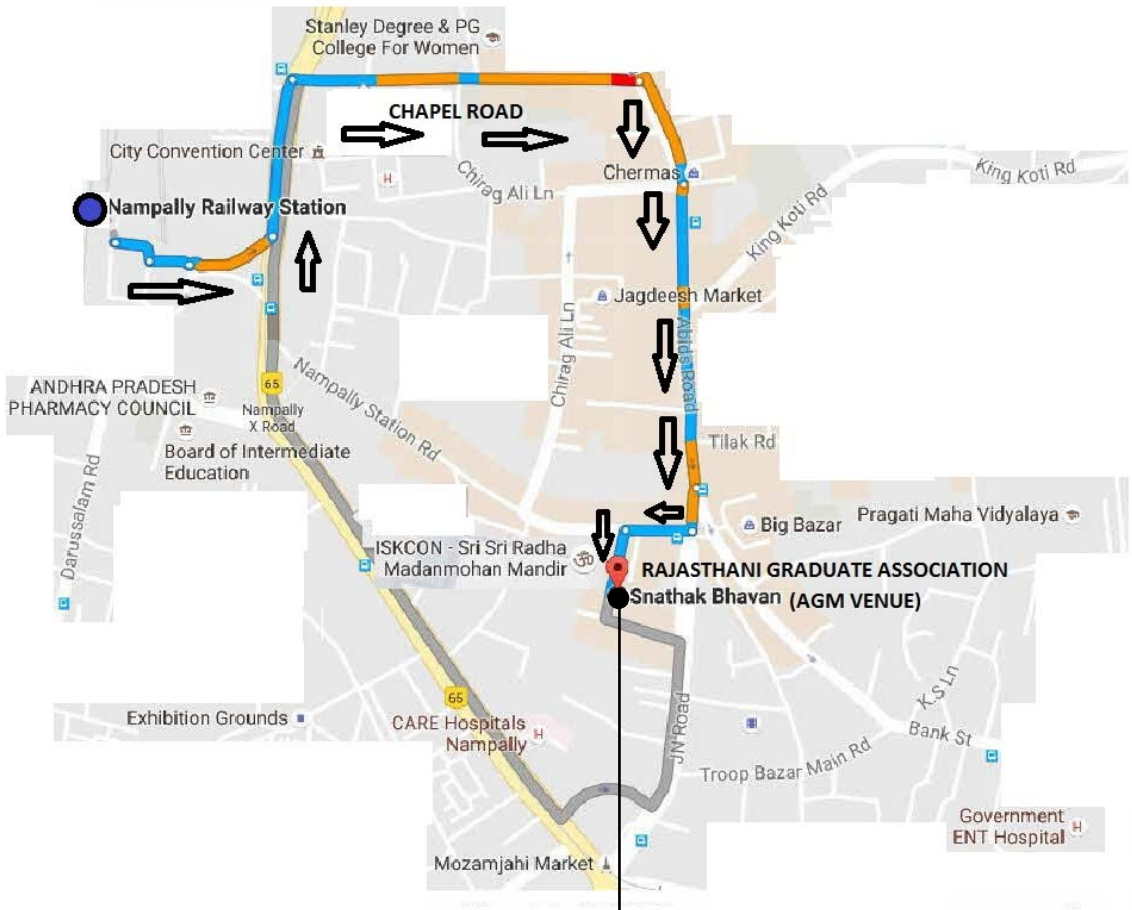
Signature of third proxy holder

\*Please put a (✓) in the appropriate column against the resolution as indicated in the box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave the entire column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Note:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered office: Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad – 500 055. not less than 48 hours before commencing of the meeting.
2. A Proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

## Route Map to the 26th AGM Venue



● **Rajasthani Graduates Association,**  
 Snatak Bhavan, 5-4-790/1, 1<sup>st</sup> Floor, Abids,  
 Hyderabad – 500 001. Telangana State

**ADITYA ISPAT LIMITED**

CIN NO. L27109TG1990PLC012099

Registered Office : Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad – 500 055

Tel: 914023773675 Fax: 914023746169 E-mail info@adityaispat.com

Website : www.adityaispat.com

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

I hereby record my presence at the 26th Annual General Meeting of the Company on Monday, the 25th day of September, 2017 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.

DP Id\*\* : \_\_\_\_\_ Client Id\*\* : \_\_\_\_\_

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.

\*\*Applicable for investors holding shares in electronic form.

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

**ELECTRONIC VOTING PARTICULARS**

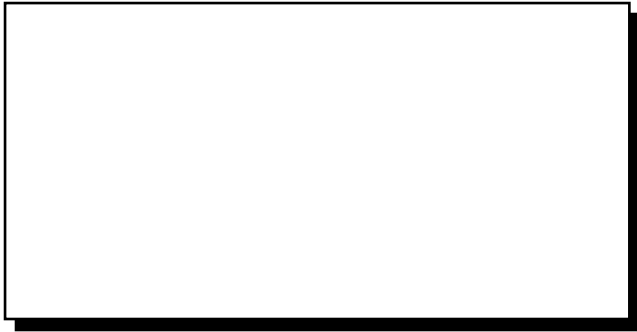
Electronic voting (e-voting) facility is being provided in respect of the Resolution proposed at the 26<sup>th</sup> AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014. Please see Note 8 to the notice dated 14<sup>th</sup> August, 2017 convening the AGM for the procedure with respect to e-voting.

Electronic Voting Sequence No. (EVSN)	<b>170823040</b>
---------------------------------------	------------------



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.