



# **ADITYA ISPAT LIMITED**

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

**18th  
ANNUAL REPORT  
2008-2009**

**Board of Directors :**

Shri Satya Bhagwan Chachan

Shri H.M. Dugar

Shri Sanjay Solanki

Shri Swamy S.B. Das

Chairman & Managing Director

Director

Director

Director

**Auditors :**

M/s. Dagliya & Co.

Chartered Accountants

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

Ranigunj, Secunderabad - 500 003.

**Registered Office & Works :**

Plot No. 20, Phase V,

IDA, Jeedimetla,

Hyderabad - 500 055.

**Bankers :**

Allahabad Bank

Balanagar Branch

Hyderabad - 500 018.

**Registrar & Share Transfer Agents :**

M/s. XL Softech Systems Private Limited

3 Sagar Society, Road No. 2,

Hyderabad - 500 034.

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

ISIN NO. INE037E01016

**NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of Aditya Ispat Limited will be held on Wednesday, the 30<sup>th</sup> September, 2009 at 10.30 AM at Agrasen Hall Trust, Near Hotel Emerald Bhavan, Abids Road, Hyderabad – 500 001 to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri. Swami S.B. Das , who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri H.M.Duggar, who retires by rotation and being eligible offers himself for re-appointment .
4. To appoint auditors and to fix their remuneration and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

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

By order of the Board of Directors

Place: Hyderabad.

Date : 31.08.2009

**S.B CHACHAN**  
CHAIRMAN & MANAGING DIRECTOR

**Notes:**

- i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
- ii. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
- iii. The Register of Members and Share transfer books of the Company will remain closed from 25<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
- iv. Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate to the Company.

**BRIEF PROFILES OF DIRECTORS SEEKING RE-APPOINTMENT****1. Shri H.M.DUGGAR :**

Shri H.M.Duggar is a qualified Chartered Accountant engaged in practice. He is specialized in Companies Act and Income Tax matters.

**2. Shri Swami S.B DAS :**

Shri Swami S.B.Das has over 25 years of experience in Public relation and legal matters. He has been a legal consultant to various organizations and also associated with Social Services.

**DIRECTORS' REPORT**

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

Your Directors take pleasure in presenting the Eighteenth Annual Report on the affairs of the Company for the financial year 2008-2009 together with the Audited Financial Statements and Report of the Auditors thereon.

**BUSINESS PERFORMANCE:**

**Financial Results:**

The overall performance of the Company for the financial year 2008-09 is summarized as under:

( Rs. in Lakhs)

<b>S.No. Particulars</b>	<b>2008-2009</b>	<b>2007-2008</b>
1. Sales ( Gross)	1051.86	873.42
Less : Excise Duty	98.97	102.37
	<hr/>	<hr/>
Sales ( Net)	952.89	771.05
2. Other Income	7.63	4.69
	<hr/>	<hr/>
Total Revenue	960.52	775.74
3. Gross Profit before Interest, Depreciation, & taxation	42.05	35.39
4. Interest/Financial Charges	12.85	8.67
5. Depreciation	9.80	8.80
6. Profit before tax	19.40	17.92
Less: Provision for current tax	5.59	4.30
Less : Provision for Deferred Tax	(1.33)	1.45
Less Taxation adjustment for earlier years	(0.01)	3.19
Net Profit(loss) after tax	15.15	8.98
Add: Balance from previous year	39.99	31.01
	<hr/>	<hr/>
Surplus carried to Balance Sheet	<b>55.14</b>	<b>39.99</b>

**BUSINESS REVIEW**

During the year 2008-09, the Company has posted a turnover of Rs 1051.86 lakhs as against Rs. 873.42 lakhs in the previous year and has earned a net profit of Rs. 19.40 lakhs compared to previous year's profit of Rs. 17.92 lakhs.. There is a slight improvement in profitability due to increased sales and a marginal cost effective means of production. Due to the inadequate profits, the Board has not recommended any dividend nor any transfer to reserves.

**FUTURE OUTLOOK:**

Steel Market is facing a demand crunch due to recessionary trends started from August 2008. Due to increased Govt. spending in infrastructure and Capital Projects as well as improvement in automobile sector, the demand for Bright Steel Bars is bound to pick-up gradually.

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

**FINANCIAL RESOURCES**

The company has made preferential issue of convertible warrants amounting to Rs. 25 lacs (excluding

Premium) to the promoter group to meet the working capital requirements as well as addition / replacement of plant & Machinery.

**DIRECTORS:**

Shri Swami S.B Das and Shri H.M.Dugar retire by rotation and being eligible offer themselves for reappointment. The Board recommends their reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

**AUDITORS:**

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

**Comment on Auditors Observation:-**

The observations of the Auditors read with the Notes on Accounts are self explanatory and do not require any comments from the Directors.

**LISTING :**

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

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

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

**FIXED DEPOSITS:**

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

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

Information regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2009 are as follows:

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

**Technology Absorption:**

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

**CORPORATE GOVERNANCE:**

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

**CODE OF CONDUCT**

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

**DEMATERIALIZATION OF SHARES:**

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

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

**ACKNOWLEDGEMENTS:**

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

On behalf of the Board of Directors

Place: Hyderabad.

Date : 31.08.2009

**S.B CHACHAN**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE – A TO THE DIRECTOR’S REPORT**

**CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE.**

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

	<b>For the year ended 31.03.09</b>	<b>For the year ended 31.03.08</b>
<b>CONSERVATION OF ENERGY</b>		
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
a. Purchased		
Units	43964	61844
Amounts (Rs.)	355230	480475
Rate per Unit(average)(Rs.)	8.08	7.77
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. COAL (Specify quality and where used)</b>		
Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
<b>3. FURNACE OIL</b>		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate Per Unit	NIL	NIL
<b>4. OTHERS/INTERNAL GENERATION</b>		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate Per Unit	NIL	NIL
<b>5. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production (Units) (M.T)	1888.183	2029.466
Electricity (Rs.)	188.13	236.75
Coal	NIL	NIL
Furnace Oil	NIL	NIL
Others	NIL	NIL

On behalf of the Board of Directors

Place: Hyderabad.  
Date : 31.08.2009

**S.B CHACHAN**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE – B**

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**A. INDUSTRY STRUCTURE AND DEVELOPMENTS :**

Aditya Ispat Limited (AIL) is one of the leading manufacturers of Bright Bars at Hyderabad and has produced 1888.183 Tons of Bright Bars 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**

Due to world wide recession the demand and price of Iron & Steel faced a down ward trend from August 2008. In India Govt. has increased spending in infrastructure and capital projects, Automobiles Sector is also showing signs of improvement. Therefore, the bright steel bar will find adequate market.

**C. OPPORTUNITIES & THREATS**

**OPPORTUNITIES:**

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

**THREATS:**

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

**D. RISKS & CONCERNS :**

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

**E. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :**

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

**F. FINANCIAL POSITION**

- The Company has generated sales of Rs.1051.86 lakhs from manufacturing and trading revenues which is higher than last fiscal. The trend is expected to continue in current fiscal with increased working capital availability for the second half and newer geographical areas of operations. The revenues are likely to reach to Rs. 1200 lakhs next year.
- The cost reduction initiatives which were initiated continue to reap benefits in current year and the same will continue with larger economies of scale also.



- The Company has added fixed assets of Rs. 81.02 lakhs. The Gross block stood at Rs. 329.65 lakhs with Net block of Rs. 246.56 lakhs after depreciation.
- Company has not raised any resources from Public or Rights issue of shares in the year under review.
- The Company has made Preferential allotment of Equity Shares of **Rs.25 Lakhs** to promoter's group during the year.

**G. CAUTIONARY STATEMENT :**

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

**REPORT ON CORPORATE GOVERNANCE:**

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

**BOARD OF DIRECTORS:**

**Composition of the Board:**

As on 31<sup>st</sup> August, 2009, the Board of Directors consists of Four Directors. Three Directors are non executive and are independent. As 75 per cent of the Board consists of independent Directors, the composition of the Board is in consonance with revised Clause 49 of the Listing Agreement. None of the Directors on the Board is a member of more than 10 committees or act as a chairman of more than 5 committees across all companies in which he is director.

**THE BOARD MEMBERS: ( as on 31.08.2009)**

S.No.	Director	Category	No. of Directorships	Membership in Board Committees.
1.	Shri.S.B Chachan	Executive	3	--
2.	Shri Sanjay Solanki	Non executive	2	3
3.	Swamy S.B Das	Non executive	1	3
4.	Shri.H.M. Dugar	Non executive	7	3

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

**3. Board Meetings:**

During the year 2008-2009, the Board of Directors met Eight times on 28th April, 2008, 28<sup>th</sup> July, 2008, 1st September, 2008, 14<sup>th</sup> October, 2008, 30<sup>th</sup> October, 2008, 30<sup>th</sup> January, 2009, 23<sup>rd</sup> February 2009 & 31<sup>st</sup> March 2009. The longest gap between any two successive Board Meetings did not exceed 4 months.

**4. Directors Attendance:**

Name of the Director	Board Meetings	Annual General Meeting
Shri.S.B Chachan	8	1
Shri Sanajay Solanki	8	1
Swamy S.B Das	7	1
Shri H.M Dugar	4	-

**5. Information supplied to the Board:**

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

Quarterly and Half yearly results of the Company.

Minutes of the Audit Committee and other Committee meetings .

Details of Agreements

**BOARD LEVEL COMMITTEES**

**A. Audit committee:**

The Audit committee which was constituted has met 5 times during the year 2008-09 on the following dates:

28.04. 2008, 28.07.2008, 01.09.2008, 30.10.08 & 30.01.2009.

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

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

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

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

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

6. To make recommendations to the Board on any matter relating to the financial management of the Company.

**B. Remuneration Committee:**

During the year, the Remuneration Committee met two times on 30.10.08 & 30.01.2009.

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

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

The Remuneration Policy of the company is :-

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

Details of remuneration to director for the year 2008-09 is as follows:-

Name	Designation	Remuneration (Rs. In Lacs)
Shri S.B. Chachan	Managing Director	300

**C. Investors' Grievance Committee:**

The company has constituted a Investors' Grievance Committee which comprise of 3 Non- Executive Independent Directors. During the year it has met two times on 30.10.08 & 30.01.2009. The details are mentioned hereunder:

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

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

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

**Status of Complaints received / resolved :**

The total number of letters/ complaints received were 2 of which all 2 were replied to the satisfaction of shareholders. There are NIL complaints pending as at 31<sup>st</sup> March, 2009.

**C. General Meetings:**

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

No.of AGM	Date	Time	Venue	No.of Special Resolutions passed
15 <sup>th</sup> AGM	29.09.2006	10.30AM	Agrasen Hall Trust Abids,Hyderabad	Nil
16 <sup>th</sup> AGM	28.09.2007	10.30AM	.....do.....	1
17 <sup>th</sup> AGM	30.09.2008	10.30 AM	...do....	2

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

**D. Disclosures:**

1. No. transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
2. There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
3. The Company is in compliance with all the mandatory requirements and has fulfilled the non- mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
4. The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:  
 “ All the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31<sup>st</sup> March, 2009.”

Place : Hyderabad  
 Date :31.08.2009

S.B.CHAHAN  
 Chairman & Managing Director

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

**E. Means of Communication:**

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

**F. General Shareholder information:**

Annual General Meeting

Date : 30<sup>th</sup> September, 2009.  
 Day : Wednesday  
 Time : 10.30 A.M.  
 Venue : Agrasen Hall Trust, Abids, Hyderabad.

For the year ended March, 2009, results were announced on:

First quarter ended June 30, 2008	: 28.07.2008
Second quarter ended September 30, 2008	: 30.10.2008
Third quarter ended December 31, 2008	: 30.01.2009
Fourth quarter ended March,31, 2009	: 30.04.2009

**Book Closure:**

The dates of book closure are from Friday, September 25, 2009 to Wednesday, September 30, 2009 ( both days inclusive)

**Listing on Stock Exchanges:**

As on March, 31<sup>st</sup>, 2009, the Company's shares are listed on the following Stock Exchanges:

1. Mumbai Stock Exchange Limited, Mumbai.  
 Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI- 400 001.
2. The Calcutta Stock Exchange Association Limited,  
 7, Lyons Range, KOLKATA- 700 001

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

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

Month	High Rs.ps.	Low Rs.ps.	Volume
April, 2008	17.99	9.00	130018
May,2008	14.55	10.50	130481
June 2008	11.70	8.60	51140
July 2008	9.99	7.50	97332
August,2008	10.95	8.20	103213
September, 2008	12.28	7.84	116207
October, 2008	9.40	4.66	16553
November, 2008	5.16	4.22	13996
December, 2008	4.43	3.48	11377
January, 2009	4.73	3.99	12815
February, 2009	5.36	3.90	13573
March, 2009	5.20	4.35	16577

- f. **Name and address of the Share transfer agents:**

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

- g. **Distribution of Shareholding as on 31.03.2009**

From	To	No.of holders	% to Total	No. of Shares	% to Total
1	500	6549	90.31	11375920	22.30
501	1000	416	5.74	3620390	7.10
1001	2000	143	1.97	2268700	4.45
2001	3000	36	0.50	947870	1.86
3001	4000	16	0.22	575740	1.13
4001	5000	16	0.22	763670	1.50
5001	10000	44	0.60	3160330	6.20
10001	Above	32	0.44	28287380	55.46
TOTAL		7252	100%	51000000	100%

**h. Shareholding Pattern as on 31.03.2009**

<b>Category</b>	<b>No.of Shares Held</b>	<b>% of Shares Holding</b>
<b>A. Promoters</b>		
1) Promoters Indian Promoters	948100	18.59
2) Foreign Promoters person acting in concert	NIL	NIL
	<hr/>	<hr/>
<b>Sub Total</b>	<b>948100</b>	<b>18.59</b>
	<hr/>	<hr/>
<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	16,98,944	33.31
b) Indian Public	24,32,820	47.71
c) Non Resident Indian	3,799	0.07
d) Any Others to specify	16337	0.32
<b>Sub Total</b>	<b>41,51,900</b>	<b>81.41</b>
<b>Grand Total</b>	<b>51,00,000</b>	<b>100.00</b>

**i. Dematerialisation of shares:**

As on 31<sup>st</sup> March, 2009, 20,39,060 shares being 39.98 % of the total number of shares are in dematerialised form. The company's shares are compulsorily traded in dematerialised form.

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

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

ADITYA ISPAT LIMITED

Plot No. 20, Phase V

I.D.A Jeedimetla ,

Hyderabad – 500 055.

**DAGLIYA & Co.**

CHARTERED ACCOUNTANTS

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
Aditya Ispat Limited

We have examined the compliance condition of corporate governance by Aditya Ispat Limited (the company) for the year ended on 31<sup>st</sup> March, 2009 as stipulated in clause 49 of the listing Agreement of the company with the Stock Exchanges.

The Compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad  
Date :31.08.2009

For and on behalf of  
DAGLIYA & CO.  
Chartered Accountants  
  
(JITENDRA KUMAR JAIN)  
Partner  
M.NO:18398

## AUDITORS' REPORT

## The Members

M/s ADITYA ISPAT LIMITED, HYDERABAD

1. We have audited the attached balance sheet of ADITYA ISPAT LIMITED as at 31st March, 2009, the profit & loss account and also the cash flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion proper books of account as required by law have been kept by the company, so far as it appears from our examination of such books.
  - iii. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account and the cash flow statement dealt with by this report are prepared in compliance with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of written representations received from the Directors of the Company as at 31st March, 2009 and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of balance sheet, of the state of affairs of the company as at 31st March, 2009;
    - b) in case of the profit and loss account, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flow for the year ended on that date.

For DAGLIYA & CO.  
CHARTERED ACCOUNTANTS

Place: Hyderabad

Dated:31.08.2009

(JITENDRA KUMAR JAIN)  
Partner  
M.No:18398



ADITYA ISPAT LIMITED  
ANNEXURE TO AUDITORS' REPORT  
(Referred to in Paragraph 3 of our Report of Even Date attached)

**1. In respect of its fixed assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
- c. During the year the company has not disposed of any part of its fixed assets.

**2. In respect of its Inventories**

- a. As explained to us, the inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company has maintained proper records of inventory. The discrepancies between the physical inventory and the book records, which have been properly dealt with in the books of account, were not material.
3. The company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence paragraphs 4(iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal controls.
- 5a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposit from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to the information given to us, the company being a small scale industrial undertaking, it is exempt from maintaining cost records under Section 209(1)(d) of the Companies Act, 1956 for its manufacturing activities.
- 9a. According to the records of the company and information and explanations given to us, undisputed statutory dues including Investor Education and Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues as are applicable to the company, have generally been regularly deposited with the appropriate authorities during the year.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.

- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
11. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks during the year. The company has not issued any debentures so far.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to a chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities, debentures or other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial Institutions during the year.
16. In our opinion, the term loan has been applied for the purpose for which was raised.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment, and vice versa.
18. During the year, the company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. There were no debentures issued by the company.
20. The company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

For DAGLIYA & CO.  
CHARTERED ACCOUNTANTS

Pace: Hyderabad

Dated:31.08.2009

(JITENDRA KUMAR JAIN)  
Partner  
M.No:18398

**ADITYA ISPAT LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2009**

PARTICULARS	SCHEDULE	AS AT 31-03-2009	AS AT 31-03-2008
<b>I. SOURCES OF FUNDS:</b>			
Share Holders' Funds			
- Share Capital	"1"	51,000,000.00	48,500,000.00
- Reserves & Surplus	"2"	9,954,000.04	8,189,305.91
		-----	-----
		60,954,000.04	56,689,305.91
<b>Loan Funds :</b>			
- Secured Loans	"3"	20,603,548.75	14,311,573.00
		-----	-----
		<b>81,557,548.79</b>	<b>71,000,878.91</b>
		=====	=====
<b>II APPLICATION OF FUNDS:</b>			
<b>A. Fixed Assets :</b>			
Gross Block	"4"	32,965,244.00	24,863,726.00
Less : Depreciation to date		8,308,917.00	7,329,224.00
Net Block		-----	-----
		24,656,327.00	17,534,502.00
<b>B. Investments</b>	"5"	---	250,000.00
<b>C. Current Assets, Loans &amp; Advances :</b>			
Inventories	"6"	26,500,050.00	26,906,585.00
Sundry Debtors	"7"	26,146,616.58	23,000,798.83
Cash & Bank Balances	"8"	971,182.67	937,577.38
Loans & Advances	"9"	9,413,994.54	8,822,480.70
		-----	-----
		63,031,843.79	59,667,441.91
Less : Current Liabilities & Provisions	"10"	4,256,162.00	4,443,996.00
<b>Net Current Assets :</b>		-----	-----
		58,775,681.79	55,223,445.91
Deferred Tax Liabilities (Net)		(1,874,460.00)	(2,007,069.00)
		-----	-----
<b>Total :</b>		<b>81,557,548.79</b>	<b>71,000,878.91</b>
		=====	=====

Notes to Account : As per Schedule "19"

As per our report of even date attached  
 For **Dagliya & Co.**  
 Chartered Accountants

For and on behalf of the Board

**(JITENDRA KUMAR JAIN)**  
 Partner  
 M.No. 18398

**(S.B.CHACHAN)**  
 Chairman  
 Managing Director

**(H.M.DUGAR)**  
 (Director)

Place : Hyderabad  
 Dated : 31.08.2009

**MANUFACTURING, TRADING, PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31.03.2009**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>For the Year ended 31.03.2009</b>	<b>For the Year ended 31.03.2008</b>
<b>INCOME</b>			
Sales		105,185,698.00	87,342,465.00
Less: Excise Duty		9,897,418.00	10,236,872.00
		-----	-----
		95,288,280.00	77,105,593.00
Other Income	"11"	763,408.00	469,172.58
Increase/Decrease in Stocks	"12"	(2,574,920.00)	2,282,645.00
		-----	-----
		<b>93,476,768.00</b>	<b>79,857,410.58</b>
		=====	=====
<b>EXPENDITURE</b>			
1 Cost of Raw Material Consumed	"13"	67,576,490.49	57,659,864.14
2 Cost of Goods sold	"14"	13,180,218.00	10,059,770.98
3 Manufacturing Expenses	"15"	1,592,431.32	1,792,403.00
4 Salaries, Wages & Others Benefits to Employees	"16"	1,348,846.00	1,053,886.00
5 Audit Fees		31,461.00	20,225.00
6 Other Expenses	"17"	5,541,711.00	5,731,740.19
7 Finance Charges	"18"	1,285,904.06	866,869.71
8 Depreciation	"4"	979,693.00	880,257.00
		-----	-----
		<b>91,536,754.87</b>	<b>78,065,016.02</b>
		=====	=====
Profit/Loss for the year		1,940,013.13	1,792,394.56
Less: Taxation Adjustment For Earlier Years		(628.00)	318,715.00
		-----	-----
		1,940,641.13	1,473,679.56
Current Tax		547,535.00	414,669.00
F.B.T		11,021.00	15,047.00
Deferred Tax		(132,609.00)	145,681.00
		-----	-----
		1,514,694.13	898,282.56
Add: Balance B/f from previous year		3,999,115.91	3,100,833.35
		-----	-----
Balance Carried to Balance Sheet		5,513,810.04	3,999,115.91
Basic Earning per Share	Refer note no. B(VI)	=====	=====
Diluted Earning per Share	of the Schedule 19		
(of the face value of Rs.10 each)		0.31	0.18

Notes to Accounts: As Per Schedule "19"

"As per our report of even date attached"

For **Dagliya & Company**  
Chartered Accountants

**For and on behalf of the Board**

**(JITENDRA KUMAR JAIN)**  
Partner  
Place : Hyderabad  
Dated : 31.08.2009

**(S.B.CHACHAN)**  
Chairman &  
Managing Director

**(H.M. DUGAR)**  
Director

**SCHEDULE FORMING PART OF ACCOUNTS**

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>SCHEDULE "1" :</b>		
<b>Share Capital:</b>		
Authorised:		
6010000 (P.Y 5010000) Equity Shares of Rs.10/- each	60,100,000.00 =====	50,100,000.00 =====
<b>Issued, Subscribed &amp; Paid up Capital:</b>		
5100000 (P.Y 4850000) Equity Shares of Rs.10/- each fully paid up	51,000,000.00 ----- 51,000,000.00 =====	48,500,000.00 ----- 48,500,000.00 =====
<b>SCHEDULE "2" :</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve:</b>		
Capital Profit on re-issue of forfeited Shares	3,142,000.00	3,142,000.00
Investment Subsidy	1,048,190.00	1,048,190.00
Securities Premium	250,000.00	-
Surplus in P&L A/c	5,513,810.04 -----	3,999,115.91 -----
	<b>9,954,000.04</b> =====	<b>8,189,305.91</b> =====
<b>SCHEDULE "3" :</b>		
<b>SECURED LOANS :</b>		
Cash Credit from Allahabad Bank (Secured against hypothecation of Stocks)	20,003,034.75	13,566,842.00
Term Loan From Allahabad Bank (Secured against hypothecation of Hydraulic Crane)	600,514.00	703,961.00
HDFC Bank (Secured against hypothecation of Car)	-	40,770.00 -----
	<b>20,603,548.75</b> =====	<b>14,311,573.00</b> =====

**SCHEDULE - 4 : FIXED ASSETS**

Sl No.	Particulars	Rate of Deprn.	Gross Block as at 31-3-09	Additions during the year	Sales & adjustments During the year	Gross Block as at 31-3-09	Written off upto 31-3-08	Written off During the year	Deprn. on a/c of sales & adjustments	Total Deprn. upto 31-3-09	As at 31-3-09	As at 31-3-08
1	Land	0	3,508,946.00	3,290,000.00	-	6,798,946.00	-	-	-	-	6,798,946.00	3,508,946.00
2	Office building	1.63%	-	3,294,455.00	-	3,294,455.00	-	7,797.00	-	7,797.00	3,286,658.00	-
3	Buildings	3.34%	7,167,001.00	15,000.00	-	7,182,001.00	2,015,161.00	239,640.00	-	2,254,801.00	4,927,200.00	5,151,840.00
4	Plant & Machinery	4.75%	9,135,961.00	18,175.00	-	9,154,136.00	3,151,269.00	434,124.00	-	3,585,393.00	5,568,743.00	5,984,692.00
5	Shops	1.63%	938,007.00	1,269,292.00	-	2,207,299.00	158,593.00	32,781.00	-	191,374.00	2,015,925.00	779,414.00
6	Electrical Installation	4.75%	492,098.00	208,596.00	-	700,694.00	112,632.00	26,217.00	-	138,849.00	561,845.00	379,466.00
7	Office Equipment	4.75%	172,781.00	6,000.00	-	178,781.00	96,463.00	8,208.00	-	104,671.00	74,110.00	76,318.00
8	Furniture & Fixtures	6.33%	1,188,269.00	-	-	1,188,269.00	846,408.00	75,217.00	-	921,625.00	266,644.00	341,861.00
9	Weighing Scale	4.75%	25,987.00	-	-	25,987.00	16,435.00	1,234.00	-	17,669.00	8,318.00	9,552.00
10	Vehicles	9.50%	1,393,139.00	-	-	1,393,139.00	601,303.00	132,348.00	-	733,651.00	659,488.00	791,836.00
11	Computer	16.21%	338,065.00	-	-	338,065.00	314,598.00	-	-	314,598.00	23,467.00	23,467.00
12	Borewell	3.34%	126,794.00	-	-	126,794.00	13,339.00	4,235.00	-	17,574.00	109,220.00	113,455.00
13	Electrical Equipment	4.75%	376,678.00	-	-	376,678.00	3,023.00	17,892.00	-	20,915.00	355,763.00	373,655.00
	<b>Total :-</b>		<b>24,863,726.00</b>	<b>8,101,518.00</b>	-	<b>32,965,244.00</b>	<b>7,329,224.00</b>	<b>979,693.00</b>	-	<b>8,308,917.00</b>	<b>24,656,327.00</b>	<b>17,534,502.00</b>
	<b>Previous Year</b>		<b>22,351,663.00</b>	<b>2,512,063.00</b>	-	<b>24,863,726.00</b>	<b>6,448,967.00</b>	<b>880,257.00</b>	-	<b>7,329,224.00</b>	<b>24,656,327.00</b>	<b>17,534,502.00</b>

**SCHEDULE FORMING PART OF ACCOUNTS**

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>SCHEDULE "5" :</b>		
<b>INVESTMENTS (Non Trade)</b>		
Unquoted (Valued at Cost)		
NIL (PY: 25,000) Equity Shares of Rs.10/- each in		
Aditya Global Fund Ltd.fully paid up	-	250,000.00
	-----	-----
	-	<b>250,000.00</b>
	=====	=====
<b>SCHEDULE "6" :</b>		
<b>INVENTORIES</b>		
(As taken, valued & Certified by the Management and accepted by the Auditors)		
Raw Material	24,216,914.00	21,775,408.00
Finished Goods	2,052,624.00	4,725,672.00
Scrap	230,512.00	132,384.00
Trading Goods	-	273,121.00
	-----	-----
	<b>26,500,050.00</b>	<b>26,906,585.00</b>
	=====	=====
<b>SCHEDULE "7" :</b>		
<b>SUNDRY DEBTORS</b>		
<b>(Unsecured &amp; Considered good)</b>		
Debts Outstanding for more than 6 months	1,123,437.00	1,144,965.00
Other Debts	25,023,179.58	21,855,833.83
	-----	-----
	<b>26,146,616.58</b>	<b>23,000,798.83</b>
	=====	=====
<b>SCHEDULE " 8":</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on hand	303,663.99	286,123.24
Balance with Scheduled Banks in		
- Current Account	80,781.68	107,366.14
- Fixed Deposits (Pledged with Banks)	586,737.00	544,088.00
	-----	-----
	<b>971,182.67</b>	<b>937,577.38</b>
	=====	=====
<b>SCHEDULE " 9":</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured & considered good)		
Advances (Recoverable in cash or in kind or for value to be received)	2,511,043.41	5,855,764.91
Deposits	177,308.00	111,726.00
Cenvat credit receivable	5,692,421.00	1,991,295.00
V.A.T	1,033,222.13	863,694.79
	-----	-----
	<b>9,413,994.54</b>	<b>8,822,480.70</b>
	=====	=====

**SCHEDULE FORMING PART OF ACCOUNTS**

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>SCHEDULE "10":</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors:		
Due to Small Scale Industrial undertakings	-	105,282.00
Other Creditors	3,096,477.00	3,128,172.00
Advances from Customers	206,702.00	206,827.00
Other Liabilities	810,956.00	988,763.00
	-----	-----
<b>Total (A) :</b>	<b>4,114,135.00</b>	<b>4,429,044.00</b>
	=====	=====
<b>Provisions :</b>		
Provision for Income Tax	--	628.00
Provision for Gratuity	142,027.00	12,277.00
Provision for F.B.T	--	2,047.00
	-----	-----
<b>Total (B) :</b>	<b>142,027.00</b>	<b>14,952.00</b>
	-----	-----
<b>Total (A) + (B) :</b>	<b>4,256,162.00</b>	<b>4,443,996.00</b>
	=====	=====
	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>SCHEDULE " 11":</b>		
<b>OTHER INCOME</b>		
Interest on Fixed Deposits with Banks (T.D.S Rs.7537.00 P.y Rs.4041.00)	57,893.00	42,335.00
Profit on sale of Investments	50,000.00	
Other Income	655,515.00	426,837.58
	-----	-----
	763,408.00	469,172.58
	=====	=====
<b>SCHEDULE " 12":</b>		
<b>INCREASE/DECREASE IN STOCKS</b>		
Closing Stock:		
- Finished Goods	2,052,624.00	4,725,672.00
- Scrap	230,512.00	132,384.00
	-----	-----
	2,283,136.00	4,858,056.00
	=====	=====
Less: Opening Stock		
- Finished Goods	4,725,672.00	2,438,041.00
- Scrap	132,384.00	137,370.00
	-----	-----
	4,858,056.00	2,575,411.00
	-----	-----
	(2,574,920.00)	2,282,645.00
	=====	=====

**SCHEDULE FORMING PART OF ACCOUNTS**

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE " 13":</b>		
<b>COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	21,775,408.00	10,839,256.00
Add:		
- Purchases	70,017,996.49	68,596,016.14
	-----	-----
	91,793,404.49	79,435,272.14
Less: Closing Stock	24,216,914.00	21,775,408.00
	-----	-----
	<b>67,576,490.49</b>	<b>57,659,864.14</b>
	=====	=====
<b>SCHEDULE " 14":</b>		
<b>COST OF GOODS SOLD</b>		
Opening Stock	273,121.00	390,871.00
Add:Purchases during the year	12,907,097.00	9,942,020.98
	-----	-----
	13,180,218.00	10,332,891.98
Less: Closing Stock	-	273,121.00
	-----	-----
	<b>13,180,218.00</b>	<b>10,059,770.98</b>
	=====	=====
<b>SCHEDULE " 15":</b>		
<b>MANUFACTURING EXPENSES</b>		
Tools & Dies Consumed	115,179.00	255,906.00
Miscellaneous Stores & Consumables	251,906.00	307,824.00
Power & Fuel	355,230.00	480,475.00
Repairs & Maintenance to Plant & Machinery	824,811.32	620,220.00
Job work charges	38,980.00	107,728.00
Material Handling Charges	6,325.00	20,250.00
	-----	-----
	<b>1,592,431.32</b>	<b>1,792,403.00</b>
	=====	=====
<b>SCHEDULE " 16":</b>		
<b>PAYMENTS &amp; OTHER BENEFITS TO EMPLOYEES</b>		
Salaries, Wages & Bonus	1,161,843.00	993,899.00
Staff Welfare Expenses	26,160.00	31,873.00
Contribution to E.S.I	22,493.00	16,114.00
Gratuity	129,750.00	7,600.00
Leave Encashment	8,600.00	4,400.00
	-----	-----
	1,348,846.00	1,053,886.00
	=====	=====



**SCHEDULE FORMING PART OF ACCOUNTS**

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE " 17":</b>		
<b>OTHER EXPENSES</b>		
Postage, Telephone & Telegram	74,457.00	83,767.00
Rent 180,000.00	180,000.00	
Rates & Taxes	117,788.00	22,504.00
Printing & Stationery	64,609.00	50,877.00
Travelling Expenses	81,013.00	105,980.00
Legal & Professional Charges	90,873.00	104,267.00
Miscellaneous Expenses	359,271.00	212,223.00
Sales Tax	3,928,021.00	3,474,229.50
Repairs & Maintenance to Other Assets	296,219.00	144,333.00
Bad Debts	181,683.00	712,986.69
ED on Finished Goods	167,777.00	640,573.00
	-----	-----
	<b>5,541,711.00</b>	<b>5,731,740.19</b>
	=====	=====
<b>SCHEDULE " 18":</b>		
<b>Finance Charges</b>		
Bank Interest	908,146.00	667,508.00
Bank Charges	248,907.34	120,510.88
LC Discounting Charges	63,070.00	65,297.00
Finance Charges	65,780.72	13,553.83
	-----	-----
	<b>1,285,904.06</b>	<b>866,869.71</b>
	=====	=====

**SCHEDULE - 19:****NOTES TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009 AND BALANCE SHEET AS ON THAT DATE.****A. Significant Accounting Policies:**

- a. Basis of accounting: The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, except otherwise mentioned. The accounting policies have been consistently applied by the Company and are consistent with those in the previous years.
- b. Fixed Assets: Fixed Assets are stated at cost net of Cenvat less accumulated depreciation and impairment loss, if any. All costs till commencement of commercial production attributable to fixed assets are capitalised.
- c. Capital work in Progress: All expenditure, including advance given for Capital expenditure are accumulated and shown as capital work in progress until the assets are ready for commercial use. Assets under construction are not depreciated.
- d. Depreciation on Fixed Assets (Other than lease hold land) is provided on straight line method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956 on pro-rata basis.
- e. Impairment of Assets: The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value i.e net selling price or value in use, whichever is higher. An impairment loss, if any, is charged to Profit & Loss Account in the year in which an asset is identified as impaired.
- f. Inventories: Inventories are valued at cost or net realisable value whichever is less except scrap, which is valued at estimated realisable value. Excise duty on goods manufactured by the company is included as part of valuation of finished goods. Cost is determined using FIFO basis.
- g. Turnover: Turnover is inclusive of sales tax and excise duty collected.
- h. Taxes on Income: Provision for Income Tax is made for both current and deferred taxes. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Tax resulting from 'timing difference' between the book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.
- i. Retirement and other Employee Benefits:
  - a. Defined Contribution Plans : The company makes defined contribution to E.S.I Scheme, which is recognised in the Profit & Loss Account on accrual basis.
  - b. Defined Benefit Plan: Provision for gratuity is made on accrual basis, on the basis of completed year of service as prescribed under the payment of Gratuity Act.
  - 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. Contingencies: Contingencies including foreseeable losses which can be reasonably ascertained are provided for, if in the opinion of the company, there is a probability that the future income may be materially detrimental to the company.

**B. NOTES TO ACCOUNTS:**

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

ii. During the year the company has made preferential issue of 2,50,000 convertible warrants of Rs. 10/- each, convertible into 2,50,000 Equity shares of Rs. 10/- each, amounting to Rs.25 lacs to the promoter group. Pursuant to the same, the company has allotted 2,50,000 Equity shares of Rs. 10/- each as fully paid on 31-03-2009 and the proceeds were utilized for addition to meet the long term working capital requirements.

iii. Auditor's remuneration includes.	F.Y 2008-2009	F.Y 2007-2008
Statutory Audit Fees	22060	16854
Tax Audit fees	9401	3371
	<u>31461</u>	<u>20225</u>
	=====	=====

iv. Professional charges includes a sum of Rs. 11,236 (PY NIL) paid to Statutory Auditors towards certification charges.

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

	For the year ended 31.03.09	For the year ended 31.03.08
	(Rs.)	(Rs.)
Net Profit/Loss after Tax	15,14,694	8,98,282
Weighted Average no.of Eq Shares	48,50,685	48,50,000
Earning/(Loss) per share (Basic/Diluted)	0.31	0.18
(Face value of each share is Rs.10/-)		

vi. The Company has adopted the revised accounting standard (AS-15) issued by the Institute of Chartered Accountants of India , on employees benefits with effect from 1st April, 2008. The following table give the status of the non- funded gratuity plan as required under AS 15 (Revised):-

<b>Profit &amp; Loss Account</b>	<b>For the year ended 31<sup>st</sup> March, 2009</b>
Current Service Cost	29,065
Interest Cost on benefit obligation	982
Expected return on plan assets	Nil
Net Actuarial (gain). Loss recognized in the year	99,703
Past services cost	
<b>Net Benefit expenses</b>	<b>1,29,750</b>

**Balance Sheet**

**Details of provision for Gratuity**

**Changes in the present value of the defined benefit obligation are as follows:For the year ended 31<sup>st</sup> March, 2009**

Opening defined benefit obligation	12,277
Interest cost	982
Current service cost	29,065
Benefits paid	
Acturial (gains)/losses on obligation	99,703
closing defined benefit obligation	1,42,027

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>
Salary Rise	4
Discount rate	8
Attrition Rate	5

- vii. During the year , the company has paid remuneration to its Managing Director Rs.3,00,000/- (PY Rs. Nil)
- viii. 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 : — Nil —
- b. Key Management Personnel : Shri Satya Bhagwan Chachan - Chairman
- c. Relatives of Key Management Personnel : Smt. Usha Chachan

ii. Related Party Transaction: (Amount in Rs.)

Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent	- (-)	90,000 (90,000)	90,000 (90,000)	1,80,000 (1,80,000)
Remuneration	- (-)	3,00,000 (-)	- (-)	3,00,000 (-)

\* Figures in brackets represent previous year figures.

ix. The major components deferred tax Assets/(Liabilities) are

Deferred Tax Asset/Liability	As at 31.03.08	Movement during the year	As at 31.03.09
1. Relating to Fixed Assets	(-)2011524.00	92517.00	(-)1919007.00
2. Provision for Gratuity	4455.00	40092.00	44547.00
Deferred tax Liability (Net)	(-)2007069.00	132609.00	(-)1874460.00

- x. 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, 2009.
- xi. 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.
- xii. The company has not received any intimation from 'suppliers' regarding their status under the micro, small and medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act, have not been given.
- xiii. Balances under the head Debtors, Loans & Advances, Trade Creditors and other liabilities are subject to confirmation from the respective parties.
- xiv. Previous year figures have been regrouped/recasted/reclassified/re-arranged wherever deemed necessary to conform with current year's classification.
- xv. Current Assets 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.
- xvi. Amounts, due and outstanding, to be credited to Investor Education and Protection Fund as on 31<sup>st</sup> March, 2009 - Nil. (p.y Nil).
- xvii. Additional information pursuant to the provisions of paragraphs 3,4C, 4D, of part II of schedule VI to the Companies Act, 1956.

**QUANTITATIVE PARTICULARS**

- I. LICENCED CAPACITY : Not applicable
- II. INSTALLED CAPACITY : 5000 MTs per annum (Three Shift)
- III. ACTUAL PRODUCTION:

	2008-2009		2007-2008	
	QTY(MT)		QTY(MT)	
BRIGHT STEEL BAR		1888.183		2029.466
SCRAP		106.983		107.641
IV. RAW MATERIAL CONSUMED & SOLD				
	QTY (MT)	VALUE (RS)	QTY (MT)	VALUE (Rs)
STEEL BARS	2072.335	6,75,76,490.00	2219.735	5,76,59,864.00
	=====	=====	=====	=====
V. TURNOVER				
MANUFACTURING SALES				
BRIGHT STEEL BARS	1938.348		1988.931	
SCRAP	100.850	8,12,06,086.00	108.525	6,62,56,443.00
RAW MATERIAL	61.735		63.765	
TRADING SALES				
STEEL ROUNDS & BARS	338.649	1,40,69,216.00	289.775	1,08,49,150.00
		-----		-----
		9,52,75,302.00		7,71,05,593.00
		=====		=====
VI. CLOSING STOCK				
BRIGHT STEEL BARS	72.719	20,52,624.00	122.884	47,25,672.00
SCRAP	14.407	2,30,512.00	8.274	1,32,384.00
TRADING GOODS	-	-	9.098	2,73,121.00
VII. OPENING STOCK				
BRIGHT STEEL BARS	122.884	47,25,672.00	82.349	24,38,041.00
SCRAP	8.274	1,32,384.00	9.158	1,37,370.00
TRADING GOODS	9.098	2,73,121.00	11.524	3,90,871.00
VIII. TRADING PURCHASES				
STEEL ROUNDS & BARS	329.551	1,29,07,097.00	287.349	99,42,020.98

xviii. Raw material tools & consumables consumed are 100% indigenous.

xix. Schedules 1 to 19 form integral part of accounts.

Signatures to schedules 1 to 19

As per our Report of even date attached.

for Dagliya & Co.  
Chartered Accountants

(JITENDRA KUMAR JAIN)  
Partner  
M.No. 18398

for and on behalf of the Board

(S.B.CHACHAN)  
Chairman &  
Managing Director

(H M DUGAR)  
Director

Place : Hyderabad  
Date : 31.08.2009

**CASH FLOW STATEMENT**

Rs.'000

	FOR THE YEAR ENDED 31.3.08		FOR THE YEAR ENDED 31.3.07	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
1	Net Profit/(Loss) before Tax and Extraordinary Items	1,940		1,792
2	Adjustments for:			
	- Depreciation	980		880
	- Interest Paid	974		681
	- (Profit) / loss on sale of Investments	(50)	1,904	-
				1,561
	Operating Profit before Working Capital Changes	3,844		3,353
3	Adjustments For			
	- (Increase) / Decrease in Sundry Debtors	(3,146)		1,587
	- (Increase) / Decrease in Inventories	407		(13,078)
	- (Increase) / Decrease in Advance & Deposits	(578)		(1,799)
	- Increase / (Decrease) in Sundry Creditors & Other Liabilities & Provisions	(185)	(3,502)	2,150
				(11,140)
	<b>Cash generated from operation</b>		342	(7,787)
	- Direct Taxes Paid (Net)		(575)	(527)
	<b>Net Cash from Operating Activities</b>	<b>(233)</b>		<b>(8,314)</b>
<b>B. Cash Flow from Investing Activities</b>				
	- Purchase of Fixed Assets	(8,102)		(2,512)
	- Sale of Investments	300		-
	<b>Net Cash from Investments Activities</b>	<b>(7,802)</b>		<b>(2,512)</b>
<b>C. Cash Flow Financing Activities</b>				
	- Borrowing/repayment of Secured Loans	6,292		4,225
	- Interest Paid	(974)		(681)
	- Proceeds from issue of Shares	2,750		6,000
	<b>Net Cash from Financing Activities</b>	<b>8,068</b>		<b>9,544</b>
	Net Change in Cash & Cash Equivalent (A+B+C)	33		(1,282)
	Opening Cash and Bank Balance	938		2,220
	Closing Cash and Bank Balance	971		938
Note: (i) Figures in brackets are outflows (ii) Previous Year's figures have been re-grouped wherever necessary				

For DAGLIYA & CO.,  
Chartered Accountants,  
(JITENDER KUMAR JAIN)  
Partner  
M.No. 18398  
Place : Hyderabad  
Date : 31.08.2009

For and on behalf of the Board  
(S.B.CHACHAN) (H.M. DUGAR)  
Chairman & Director  
Managing Director

**SCHEDULE VI**  
**PART IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(1) **Registration Details:**

CIN	L27109AP1990PLC012099	State Code	01
Balance Sheet Date	31.03.09		

(2) **Capital Raised during the year (Amount in thousands):**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement (Preferential allotment to promoters)	250

(3) **Position of Mobilisation and Deployment of Funds:** (Amount in Thousands)

Total Liabilities	81,557.55	Total Assets	81,557.55
-------------------	-----------	--------------	-----------

**Sources of Funds:**

Paid up Capital	51000.00	Reserves & Surplus	9,954.00
Secured Loans	20603.55	Unsecured Loans	—

**Application of Funds:**

Net Fixed Assets	24656.33	Investments	---
Net Current Assets	58,775.68	Miscellaneous Expenditure	—
Deffered Tax Liability	(1,874.46)		

(4) **Performance of Company (Amount in Thousand):**

Turnover	96051.69	Total Expenditure	94,111.67
Profit/ before tax	1,940.02	Profit/Loss after tax	1,514.69
Earning per Share in Rs.	0.31	Dividend Rate %	—

(5) **Generic Names of three Principal Products/Services of the Company (as per monetary terms)**

Item Code No. (ITC Code)	:	721491.01
Product Description	:	M.S.Bright Bar
Item Code No. (ITC Code)	:	721510.00
Product Description	:	Free Cutting Steel Bright Bar
Item Code No. (ITC Code)	:	721520.00
Product Description	:	Carbon Steel Bright Bars

for **DAGLIYA & COMPANY,**  
Chartered Accountants,

For and on Behalf of the Board

**(JITENDRA KUMAR JAIN)**  
Partner  
M.No. 18398

**(S.B. CHACHAN)**  
Chairman &  
Managing Director

**(H.M. DUGAR)**  
Director

Place : Hyderabad  
Date : 31.08.2009

**ADITYA ISPAT LIMITED**

(Formerly ADITYA GLOBAL TECHNO CORPORATIONS LIMITED)

Regd Office & Works : Plot No. 20, Phase V

I.D.A. Jeedimetla, Hyderabad - 500 055.

Folio No.:

**NOMINATION FORM**

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

**FORM 2B**

(see rules 4CCC and 5D)

I/We .....and.....the

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

**Name and Address of Nominee**

**\* Nominee and Address of Guardian**

Name : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Address: \_\_\_\_\_

Date of Birth \* :

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

**Details of Shareholders :**

Signature : \_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Date : \_\_\_\_\_

**Details of two Witnesses :**

Name and Address

Signature with date

1.

2.

**FOR OFFICE USE ONLY**

Nomination Registration Number :

Date of Registration :

Checked by :

*Please see instructions overleaf*



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

**INSTRUCTIONS :**

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

**ADITYA ISPAT LIMITED**

(Formerly ADITYA GLOBAL TECHNO CORPORATIONS LIMITED)

Regd Office & Works : Plot No. 20, Phase V

I.D.A. Jeedimetla, Hyderabad - 500 055.

**PROXY FORM**

Number of shares held : \_\_\_\_\_ Ledger folio/Depository A/c. No.: \_\_\_\_\_

I/We : \_\_\_\_\_ of : \_\_\_\_\_

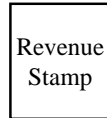
in the district of \_\_\_\_\_ being a member/members of the above named company hereby appoint \_\_\_\_\_ of: \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2009 at 10.30 A.M. at Agrasen Hall Trust, Beside Hotel Emerald, Abid Lane, Hyderabad - 500 001 and at any adjournment thereof.

Signed this the \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature \_\_\_\_\_

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

**A PROXY NEED NOT BE A MEMBER.**



**ADITYA ISPAT LIMITED**

(Formerly ADITYA GLOBAL TECHNO CORPORATIONS LIMITED)

Regd Office & Works : Plot No. 20, Phase V

I.D.A. Jeedimetla, Hyderabad - 500 055.

**ADMISSION CARD**

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

I hereby record my presence at the 18th Annual General Meeting of the company on Wednesday, the 30th day of September, 2009 at 10.30 A.M. at Agrasen Hall Trust, Beside Hotel Emerald, Abid Lane, Hyderabad - 500 001.

Share Ledger Folio No.: \_\_\_\_\_ No.of Shares Held \_\_\_\_\_

Member's Name (in block letters): \_\_\_\_\_

Name of the Proxy (in block letters): \_\_\_\_\_

Member's/Proxy Signature \*

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

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

BOOK-POST  
**PRINTED MATTER**

To



*If undelivered, please return to :*

**ADITYA ISPAT LTD.**  
Regd. Office & Works :  
Plot No. 20, Phase V, IDA,  
Jeedimetla, Hyderabad - 500 055.