



ADITYA ISPAT LIMITED

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

**19th
ANNUAL REPORT
2009-2010**

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 Nineteenth Annual General Meeting of the members of Aditya Ispat Limited will be held on Thursday, the 30th September, 2010 at 10.30 AM at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Abids, Hyderabad – 500 001 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2010 and the Balance Sheet as on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri. Sanjay Solanki, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

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

By order of the Board of Directors

Place: Hyderabad.

Date : 31.08.2010

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 25th September, 2010 to 30th September, 2010 (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 PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT**1. Shri Sanjay Solanki :**

Sri Sanjay Solanki, 47, is a qualified Chartered Accountant , specialized in matters relating to financial restructuring and BIFR. In addition to academic achievements, Shri Sanjay Solanki has developed a model for financial restructuring for Indian Corporates. He is a chairman of Audit Committee and member of Investment Grievance Committee of the company.

DIRECTORS' REPORT

To
The Members of Aditya Ispat Limited,
Hyderabad

Your Directors take pleasure in presenting the Nineteenth Annual Report on the affairs of the Company for the financial year 2009-2010 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 2009-10 is summarized as under:

		(Rs. in Lakhs)	
S.No.	Particulars	2009-2010	2008-2009
1.	Sales (Gross)	1156.31	1051.86
	Less : Excise Duty	66.85	98.97
	Sales (Net)	----- 1089.45	----- 952.89
2.	Other Income	2.87	7.63
	Total Revenue	----- 1092.32	----- 960.52
3.	Gross Profit before Interest, Depreciation, & taxation	48.94	42.05
4.	Interest/Financial Charges	15.60	12.85
5.	Depreciation	11.20	9.80
6.	Profit before tax	22.14	19.40
	Less: Provision for current tax	5.69	5.59
	Less : Provision for Deferred Tax	1.20	(1.33)
	Less Taxation adjustment for earlier years	(0.01)	(0.01)
	Net Profit(loss) after tax	15.26	15.15
	Add: Balance from previous year	55.14	39.99
	Surplus carried to Balance Sheet	----- 70.40	----- 55.14

BUSINESS REVIEW

During the year under consideration your company has posted a turnover of Rs 1156.31 lakhs as against earlier year's turnover of Rs. 1051.86 lakhs and has earned a net profit of Rs 22.14 lakhs compared to previous year's profit of Rs. 19.40 lakhs.. There is an improvement in profitability and turnover during the year under consideration. Due to inadequate profits, the Board has not recommended any dividend nor any transfer to reserves.

FUTURE OUTLOOK:

Following the worst global economic recession of two years, the world seems to be regaining economic stability. The growth rate of developing world viz. China, India and Brazil have registered higher levels of economic growth with robust domestic market. The demand of steel in automotive products, engineering products, building construction and infrastructure projects has already started picking up. Therefore the company's product Bright Steel Bars will be in good demand.

FINANCIAL RESOURCES

The company has made an arrangement with its Banker to enhance cash credit limits from Rs.150 lacs to Rs. 400 lacs to meet its working capital requirements. This will help company to achieve higher turnover in the coming years.

DIRECTORS:

Mr. Sanjay Solanki, retires by rotation and being eligible offers himself for reappointment. The Board recommends his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

AUDITORS:

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 31st March, 2010 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.

ANNEXURE – A TO THE DIRECTOR’S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE.

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

CONSERVATION OF ENERGY

Sl. No.	PARTICULARS	For the year ended 31.03.10	For the year ended 31.03.09
A.	POWER AND FUEL CONSUMPTION		
1.	ELECTRICITY		
	a. Purchased		
	Units	64771	43964
	Amounts (Rs.)	433029	355230
	Rate per Unit(average)(Rs.)	6.69	8.08
	b. Own Generator		
	i. Through diesel Generator		
	Units	NIL	NIL
	Units per litre of Diesel	NIL	NIL
	Cost per Unit	NIL	NIL
	ii. Through Steam turbine / generator		
	Units	NIL	NIL
	Units per litre of fuel Oil/Gas	NIL	NIL
	Cost per Unit	NIL	NIL
2.	COAL (Specify quality and where used)		
	Quantity (Tonnes)	NIL	NIL
	Total Cost	NIL	NIL
	Average Rate	NIL	NIL
3.	FURNACE OIL		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
4.	OTHERS/INTERNAL GENERATION		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate Per Unit	NIL	NIL
5.	CONSUMPTION PER UNIT OF PRODUCTION		
	Production (Units) (M.T)	2422.698	1888.183
	Electricity (Rs.)	178.74	188.13
	Coal	NIL	NIL
	Furnace Oil	NIL	NIL
	Others	NIL	NIL

For and behalf of the Board of Directors

Place: Hyderabad.

Date : 31.08.2010

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 2422.698 Tons of Bright Bars during the year under review. This output is stated to grow due to increased working capital facility and growing demands in the coming years.

B. OUTLOOK – GLOBAL STEEL INDUSTRY

As the worst phase of last two years of global economic recession is over, the economy of developing countries like China, India and Brazil shall be registering very strong and sustainable economic growth. Steel industry is basic foundation of a nation growth. The demand of Bright Steel Bars is bound to increase.

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 steel industry is subject to cyclical swings like excess capacity, demand and supply imbalances and volatile swings in market demand.

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 revenue of Rs.1156.31 lakhs from manufacturing and trading activities, which is higher than last fiscal. The trend is expected to continue in current fiscal with increased working capital availability and newer geographical areas of operations. The revenues are likely to reach to Rs.1500 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. 8.71 lakhs. The Gross block stood at Rs. 338.37 lakhs with Net block of Rs.244.07 lakhs after depreciation.
- Company has increased its cash credit limits from Rs.150 lakhs to Rs.400 lakhs during the year.
- Company has not raised any resources from public or form right issue of shares in the year under review.

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 31st August, 2010, 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 a director.

THE BOARD MEMBERS: (as on 31.08.2010)

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

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

3. Board Meetings:

During the year 2009-2010, the Board of Directors met five times on 30.04.09, 30.07.09, 31.08.09, 29.10.09, and 29.01.10. 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	5	1
Shri Sanjay Solanki	5	1
Swamy S.B.Das	5	1
Shri H.M.Dugar	5	-

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 2009-10 on the following dates: 30.04.09, 30.07.09, 31.08.09, 29.10.09 and 29.01.10

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

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

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

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

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

B. Remuneration Committee:

During the year, the Remuneration Committee met one time on 30.04.09.

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

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

The Remuneration Policy of the company is :-

- 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.

Details of remuneration to director for the year 2009-10 is as follows:-

Name	Designation	Remuneration (Rs. In Lacs)
Shri S.B. Chachan	Managing Director	6.00

C. Investors' Grievance Committee:

The company has constituted a Investors' Grievance Committee which comprises of 3 Non- Executive Independent Directors. During the year it has met two times on 30.04.09 and 29.01.10. 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 is one which was replied to the satisfaction of shareholders. There are NIL complaints pending as at 31st March, 2010.

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
16 th AGM	28.08.07	10.30 AM	Agrasen Hall Trust, Abids, Hyderabad	1
17 th AGM	30.09.08	10.30 AM	Agrasen Hall Trust, Abids Hyderabad	2
18 th AGM	30.09.09	10.30 AM	Agrasen Hall Trust, Abids Hyderabad	-

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 31st March, 2010.”

Place : Hyderabad
 Date :31.08.2010

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 : 30th September, 2010.
 Day : Thursday
 Time : 10.30 A.M.
 Venue : Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor,
 Lane Opp. to G. Pulla Reddy Sweets, Abids, Hyderabad.

For the year ended March, 2010, results were announced on:

- | | | |
|---|---|------------|
| First quarter ended June 30, 2009 | : | 30.07.2009 |
| Second quarter ended September 30, 2009 | : | 29.10.2009 |
| Third quarter ended December 31, 2009 | : | 29.01.2010 |
| Fourth quarter ended March,31, 2010 | : | 13.05.2010 |

Book Closure:

The dates of book closure are from Saturday, September 25, 2010 to Thursday September 30, 2010 (both days inclusive)

Listing on Stock Exchanges:

As on March, 31st, 2010, the Company’s shares are listed on the following Stock Exchanges:

1. Bombay 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, 2009	5.45	4.25	20916
May,2009	8.97	4.76	27067
June 2009	11.99	7.20	87563
July 2009	8.10	6.66	40155
August,2009	7.90	6.60	62303
September, 2009	8.65	6.75	78681
October, 2009	8.20	7.00	70570
November, 2009	10.31	6.71	121966
December, 2009	10.94	7.01	318225
January, 2010	11.48	7.99	249199
February, 2010	10.41	6.54	167455
March, 2010	8.80	7.22	102947

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 31.03.2010**

From	To	No.of holders	% to Total	No. of Shares	% to Total
1	5000	6523	90.28	1121688	21.99
5001	10000	406	5.62	350706	6.88
10001	20000	139	1.92	223322	4.38
20001	30000	44	0.61	112208	2.20
30001	40000	23	0.32	80489	1.58
40001	50000	14	0.19	65292	1.28
50001	100000	46	0.64	328290	6.44
100001	Above	30	0.42	2818005	55.25
Total		7225	100%	5100000	100%

h. Shareholding Pattern as on 31.03.2010

Category	No.of Shares Held	% of Shares Holding
A. Promoters		
1) Promoters Indian Promoters	948100	18.59
2) Foreign Promoters person acting in concert	NIL	NIL
Sub Total	948100	18.59
B. Non Promoters Holding		
3) Institutional Investors		
a) Mutual Funds and UTI	—	—
b) Banks, Financial Institutions Insurance Non-Govt. Institutions	NIL —	NIL —
c) Foreign Financial Institutions	—	—
Sub Total	NIL	NIL
4) Others		
a) Private Bodies Corporate	1726511	33.85
b) Indian Public	2410762	47.27
c) Non Resident Indian	5037	0.10
d) Any Others to specify	9590	0.19
Sub Total	4151900	81.41
Grand Total	51,00,000	100.00

i. Dematerialisation of shares:

As on 31st March, 2010, 2057560 shares being 40.34% of the total number of 51,00,000 shares are in dematerialised form. The company's shares are compulsorily traded in dematerialised form.

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

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

ADITYA ISPAT LIMITED
 Plot No. 20, Phase V
 I.D.A Jeedimetla ,
 Hyderabad – 500 055.

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 31st March, 2010 as stipulated in clause 49 of the listing Agreement of the company with the Stock Exchanges.

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

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

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

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

Pace: Hyderabad
Dated:31.08.2010

For DAGLIYA & CO.
CHARTERED ACCOUNTANTS
(F.R.N. 671S)
(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, 2010, 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, 2010 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, 2010 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, 2010;
 - 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

(F.R.N. 671S)

(JITENDRA KUMAR JAIN)

Partner

M.No:18398

Pace: Hyderabad

Dated:31.08.2010

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, Service Tax, 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, service tax, excise duty and cess were in arrears, as at 31st March, 2010 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 it 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 not made any 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.

Pace: Hyderabad
Dated:31.08.2010

For DAGLIYA & CO.
CHARTERED ACCOUNTANTS
(F.R.N. 671S)
(JITENDRA KUMAR JAIN)
Partner
M.No:18398

ADITYA ISPAT LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31-03-2010	AS AT 31-03-2009
I. SOURCES OF FUNDS:			
Share Holders' Funds			
- Share Capital	"1"	51,000,000.00	51,000,000.00
- Reserves & Surplus	"2"	11,479,817.52	9,954,000.04
		-----	-----
		62,479,817.52	60,954,000.04
Loan Funds :			
- Secured Loans	"3"	18,754,710.81	20,603,548.75
		-----	-----
		81,234,528.33	81,557,548.79
		=====	=====
II APPLICATION OF FUNDS:			
A. Fixed Assets :			
Gross Block	"4"	33,836,609.00	32,965,244.00
Less : Depreciation to date		9,429,305.00	8,308,917.00
		-----	-----
Net Block		24,407,304.00	24,656,327.00
Capital Work in Progress		508,096.00	--
		-----	-----
		24,915,400.00	24,656,327.00
B Current Assets, Loans & Advances :			
Inventories	"5"	13,973,997.00	26,500,050.00
Sundry Debtors	"6"	41,484,609.63	26,146,616.58
Cash & Bank Balances	"7"	1,017,649.67	971,182.67
Loans & Advances	"8"	5,679,500.02	9,413,994.54
		-----	-----
		62,155,756.32	63,031,843.79
Less : Current Liabilities & Provisions	"9"	3,841,961.99	4,256,162.00
		-----	-----
Net Current Assets :		58,313,794.33	58,775,681.79
Deferred Tax Liabilities (Net)		(1,994,666.00)	(1,874,460.00)
		-----	-----
Total :		81,234,528.33	81,557,548.79
		=====	=====

Notes to Account : As per Schedule "18"

As per our report of even date attached

For **Dagliya & Co.**

Chartered Accountants
(F.R.N. 671S)

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 : 31.08.2010

**MANUFACTURING, TRADING, PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2010**

PARTICULARS	SCHEDULE	For the Year ended 31.03.2010	For the Year ended 31.03.2009
INCOME			
Sales		115,630,526.00	105,185,698.00
Less: Excise Duty		6,685,153.00	9,897,418.00
		-----	-----
Other Income	"10"	286,868.00	763,408.00
Increase/Decrease in Stocks	"11"	2,042,085.00	(2,574,920.00)
		-----	-----
		111,274,326.00	93,476,768.00
		=====	=====
EXPENDITURE			
Cost of Raw Material Consumed & Sold	"12"	71,385,457.78	67,576,490.49
Cost of Goods sold	"13"	24,966,563.00	13,180,218.00
Manufacturing Expenses	"14"	2,039,233.74	1,592,431.32
Salaries, Wages & Others Benefits to Employees	"15"	1,600,578.00	1,348,846.00
Audit Fees		33,090.00	31,461.00
Other Expenses	"16"	6,355,072.00	5,541,711.00
Finance Charges	"17"	1,559,574.00	1,285,904.06
Depreciation	"4"	1,120,388.00	979,693.00
		-----	-----
		109,059,956.52	91,536,754.87
		=====	=====
Profit/Loss for the year		2,214,369.48	1,940,013.13
Less: Taxation Adjustment For Earlier Years		(740.00)	(628.00)
		-----	-----
Less Provision for		2,215,109.48	1,940,641.13
Current Tax		569,086.00	547,535.00
F.B.T		-	11,021.00
Deferred Tax		120,206.00	(132,609.00)
		-----	-----
		1,525,817.48	1,514,694.13
Add: Balance B/f from previous year		5,513,810.04	3,999,115.91
		-----	-----
Balance Carried to Balance Sheet		7,039,627.52	5,513,810.04
		=====	=====
Basic Earnings per Share	Refer note no. B(V)		
Diluted Earnings per Share	of the Schedule 18	0.30	0.31
(of the face value of Rs.10 each)			

Notes to Accounts: As Per Schedule "18"

"As per our report of even date attached"

For **Dagliya & Co.**

For and on behalf of the Board

Chartered Accountants
(F.R.N. 671S)

(JITENDRA KUMAR JAIN)

(S.B.CHACHAN)

(H.M.DUGAR)

Partner

Chairman

(Director)

M.No. 18398

Managing Director

Place : Hyderabad

Dated : 31.08.2010

SCHEDULE FORMING PART OF ACCOUNTS

AS AT 31.03.2010
Rs.

AS AT 31.03.2009
Rs.

SCHEDULE "1" :

Share Capital:

Authorised:

6010000 (P.Y 6010000) Equity Shares of Rs.10/- each 60,100,000.00 60,100,000.00

Issued, Subscribed & Paid up Capital:

5100000 (P.Y 5100000) Equity Shares of Rs.10/- 51,000,000.00 51,000,000.00

each fully paid up

51,000,000.00 51,000,000.00

SCHEDULE "2" :

RESERVES & SURPLUS

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 250,000.00 250,000.00

Surplus in P&L A/c 7,039,627.52 5,513,810.04

11,479,817.52 9,954,000.04

SCHEDULE "3" :

SECURED LOANS :

Cash Credit from Allahabad Bank 18,407,246.81 20,003,034.75

(Secured against hypothecation of Stocks & FDR)

Term Loan From Allahabad Bank 347,464.00 600,514.00

(Secured against hypothecation of Hydraulic Crane)

18,754,710.81 20,603,548.75

SCHEDULE - 4 : FIXED ASSETS

Sl. No.	Description of the Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As on 31.03.09	Additions during the year	Deletions/ Adjustment	Total As on 31.03.10	Total As on 31.03.09	for the year	deprn on deletion	Total As on 31.03.10	Total As on 31.03.10	Total As on 31.3.09
1	Land	6,798,946.00	-	-	6,798,946.00	-	-	-	6,798,946.00	6,798,946.00	6,798,946.00
2	Office building	3,294,455.00	-	-	3,294,455.00	7,797.00	53,700.00	-	3,322,958.00	3,286,658.00	3,286,658.00
3	Buildings	7,182,001.00	299,000.00	-	7,481,001.00	2,254,801.00	241,056.00	-	4,985,144.00	4,927,200.00	4,927,200.00
4	Plant & Machinery	9,154,136.00	344,760.00	-	9,498,896.00	3,585,393.00	445,937.00	-	5,467,566.00	5,568,743.00	5,568,743.00
5	Shops	2,207,299.00	-	-	2,207,299.00	191,374.00	35,979.00	-	1,979,946.00	2,015,925.00	2,015,925.00
6	Electrical Installation	700,694.00	-	-	700,694.00	138,849.00	33,283.00	-	528,562.00	561,845.00	561,845.00
7	Office Equipment	178,781.00	-	-	178,781.00	104,671.00	8,492.00	-	65,618.00	74,110.00	74,110.00
8	Furniture & Fixtures	1,188,269.00	135,807.00	-	1,324,076.00	921,625.00	81,232.00	-	321,219.00	266,644.00	266,644.00
9	Weighing Scale	25,987.00	19,500.00	-	45,487.00	17,669.00	2,160.00	-	25,658.00	8,318.00	8,318.00
10	Vehicles	1,393,139.00	-	-	1,393,139.00	733,651.00	132,348.00	-	527,140.00	659,488.00	659,488.00
11	Computer	338,065.00	72,298.00	-	410,363.00	314,598.00	64,074.00	-	31,691.00	23,467.00	23,467.00
12	Borewell	126,794.00	-	-	126,794.00	17,574.00	4,235.00	-	104,985.00	109,220.00	109,220.00
13	Electrical Equipment	376,678.00	-	-	376,678.00	20,915.00	17,892.00	-	337,871.00	355,763.00	355,763.00
	Total :-	32,965,244.00	871,365.00	-	33,836,609.00	8,308,917.00	1,120,388.00	-	24,407,304.00	24,656,327.00	24,656,327.00
	Previous Year	24,863,726.00	8,101,518.00	-	32,965,244.00	7,329,224.00	979,693.00	-	8,308,917.00	24,656,327.00	

SCHEDULE FORMING PART OF ACCOUNTS

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE "5" :		
INVENTORIES		
(As taken, valued & Certified by the Management and accepted by the Auditors)		
Raw Material	9,619,450.00	24,216,914.00
Finished Goods	4,219,391.00	2,052,624.00
Scrap	105,830.00	230,512.00
Tools & Dies	29,326.00	-
	-----	-----
	13,973,997.00	26,500,050.00
	=====	=====
SCHEDULE "6" :		
SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts Outstanding for more than 6 months	3,304,273.00	1,123,437.00
Other Debts	38,180,336.63	25,023,179.58
	-----	-----
	41,484,609.63	26,146,616.58
	=====	=====
SCHEDULE "7":		
CASH & BANK BALANCES		
Cash on hand	55,791.99	303,663.99
Balance with Scheduled Banks in		
- Current Account	335,447.68	80,781.68
- Fixed Deposits (Pledged with Banks)	626,410.00	586,737.00
	-----	-----
	1,017,649.67	971,182.67
	=====	=====
SCHEDULE "8":		
LOANS & ADVANCES		
(Unsecured & considered good)		
Advances (Recoverable in cash or in kind or for value to be received)	1,560,204.02	2,501,041.41
Deposits	187,908.00	177,308.00
Cenvat credit receivable	3,650,248.00	5,692,421.00
V.A.T	280,695.00	1,033,222.13
Advance Income Tax (Net)	445.00	10,002.00
	-----	-----
	5,679,500.02	9,413,994.54
	=====	=====

SCHEDULE FORMING PART OF ACCOUNTS

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE "9":		
CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITIES :		
Sundry Creditors (Note 14 of Schedule 18)	444,317.00	3,096,477.00
Advances from Customers	2,068,938.99	206,702.00
Other Liabilities	1,182,232.00	810,956.00
	-----	-----
Total (A) :	3,695,487.99	4,114,135.00
	=====	=====
Provisions :		
Provision for Gratuity	146,474.00	142,027.00
	-----	-----
Total (B) :	146,474.00	142,027.00
	-----	-----
Total (A) + (B) :	3,841,961.99	4,256,162.00
	=====	=====
	For the Year Ended	For the Year Ended
	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE "10" :		
OTHER INCOME		
Interest on Deposits (T.D.S Rs.4531 P.y Rs.7537)	48,660.00	57,893.00
Profit on sale of Investments	-	50,000.00
Other Income	238,208.00	655,515.00
	-----	-----
	286,868.00	763,408.00
	=====	=====
SCHEDULE "11":		
INCREASE/DECREASE IN STOCKS		
Closing Stock:		
- Finished Goods	4,219,391.00	2,052,624.00
- Scrap	105,830.00	230,512.00
	-----	-----
	4,325,221.00	2,283,136.00
	=====	=====
Less: Opening 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
	-----	-----
	2,042,085.00	(2,574,920.00)
	=====	=====

SCHEDULE FORMING PART OF ACCOUNTS

	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
SCHEDULE "12":		
COST OF RAW MATERIAL CONSUMED & SOLD		
Opening Stock	24,216,914.00	21,775,408.00
Add:		
- Purchases	56,787,993.78	70,017,996.49
	-----	-----
	81,004,907.78	91,793,404.49
Less: Closing Stock	9,619,450.00	24,216,914.00
	-----	-----
	71,385,457.78	67,576,490.49
	=====	=====
SCHEDULE " 13":		
COST OF GOODS SOLD		
Opening Stock	-	273,121.00
Add:Purchases during the year	24,966,563.00	12,907,097.00
	-----	-----
	24,966,563.00	13,180,218.00
Less: Closing Stock	-	-
	-----	-----
	24,966,563.00	13,180,218.00
	=====	=====
SCHEDULE "14":		
MANUFACTURING EXPENSES		
Tools & Dies Consumed	144,546.74	115,179.00
Miscellaneous Stores & Consumables	525,266.00	251,906.00
Power & Fuel	433,029.00	355,230.00
Repairs & Maintenance to Plant & Machinery	920,162.00	824,811.32
Job work charges	-	38,980.00
Material Handling Charges	16,230.00	6,325.00
	-----	-----
	2,039,233.74	1,592,431.32
	=====	=====
SCHEDULE "15":		
PAYMENTS & OTHER BENEFITS TO EMPLOYEES		
Salaries, Wages & Bonus	1,488,690.00	1,161,843.00
Staff Welfare Expenses	42,305.00	26,160.00
Contribution to E.S.I	24,636.00	22,493.00
Gratuity	30,047.00	129,750.00
Leave Encashment	14,900.00	8,600.00
	-----	-----
	1,600,578.00	1,348,846.00
	=====	=====

SCHEDULE FORMING PART OF ACCOUNTS

	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
SCHEDULE "16":		
OTHER EXPENSES		
Postage, Telephone & Telegram	76,886.00	74,457.00
Rent	180,000.00	180,000.00
Rates & Taxes	134,735.00	117,788.00
Printing & Stationery	54,518.00	64,609.00
Travelling Expenses	98,673.00	81,013.00
Legal & Professional Charges	45,758.00	90,873.00
Miscellaneous Expenses	433,715.00	359,271.00
Sales Tax	4,445,534.00	3,928,021.00
Repairs & Maintenance to Other Assets	318,585.00	296,219.00
Bad Debts	138,089.00	181,683.00
ED on Finished Goods	428,579.00	167,777.00
	-----	-----
	6,355,072.00	5,541,711.00
	=====	=====
SCHEDULE "17":		
Finance Charges		
Bank Interest	1,291,561.00	908,146.00
Bank Charges	196,196.00	248,907.34
LC Discounting Charges	27,103.00	63,070.00
Finance Charges	44,714.00	65,780.72
	-----	-----
	1,559,574.00	1,285,904.06
	=====	=====

SCHEDULE - 18:

NOTES TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 AND BALANCE SHEET AS ON THAT DATE.**I. 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:** Gratuity is a defined benefit scheme and is accrued based on actuarial valuation at the balance sheet date, carried out 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

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

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

4. Auditor's remuneration (including service tax) :	F.Y	F.Y
	2009-2010	2008-2009
Statutory Audit Fees	22060	22060
Tax Audit fees	11030	9401
	<hr/>	<hr/>
	33090	31461
	=====	=====

5. Professional charges include a sum of Rs. 5,515 (PY 11,236) paid to Statutory Auditors towards certification charges.

6. 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	For the year ended
	31.03.10	31.03.09
Net Profit/Loss after Tax	15,25,817	15,14,694
Weighted Average no.of Eq Shares	51,00,000	48,50,685
Earning/(Loss) per share (Basic/Diluted) (Face value of each share is Rs.10/-)	0.30	0.31

7. Employees Benefits

Defined Contribution Plan

During the year ended 31st March, 2010 and 31st March, 2009, the company contributed the following amounts to defined contribution plan:

Particulars	31st March,2010	31st March,2009
Employers' State Insurance Corporation	24,636.00	22,493.00
TOTAL	24,636.00	22,493.00

Defined Benefit Plan

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 gives the status of the non- funded gratuity plan as required under AS 15 (Revised):-

Profit & Loss Account	For the year ended	For the year ended
	31st March, 2010	31st March, 2009
Current Service Cost	18,685	29,065
Interest Cost on benefit obligation	11,362	982

Expected return on plan assets	Nil	Nil
Net Actuarial (gain). Loss recognized in the year	Nil	99,703
Past services cost		
Net Benefit expenses	30,047	1,29,750

Balance Sheet

Details of provision for Gratuity

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Opening defined benefit obligation	1,42,027	12,277
Interest cost	11,362	982
Current service cost	18,685	29,065
Benefits paid	25,600	-
Actuarial (gains)/losses on obligation	-	99,703
Closing defined benefit obligation	1,46,474	1,42,027

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

Assumptions	%	%
Salary Rise	4	4
Discount rate	8	8
Attrition Rate	5	5

Actuarial valuation is conducted once in every three years and since the current year is the second year , valuation is taken as per the last year's calculations.

8. **Managerial Remuneration**
- | | For the year
ended 31-03-10 | For the year
ended 31-03-09 |
|-----------------------------------|--|--|
| Remuneration to Managing Director | 6,00,000.00 | 3,00,000.00 |
9. **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
 - c. Relatives of Key : Smt. Usha Chachan
Management Personnel

ii. Related Party Transaction :

Amount in Rs.)

Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent				
S.B.Chachan		90,000 (90,000)		90,000 (90,000)
Usha Chachan			90,000 (90,000)	90,000 (90,000)
Rent Received				
Jai Bapji Ispat (P) Ltd		67,500 (-)		67,500 (-)
Remuneration				
S.B.Chachan		6,00,000 (3,00,000)	- (-)	6,00,000 (3,00,000)

* Figures in brackets represent previous year figures.

10. Major components of deferred tax liabilities and deferred tax assets:

Deferred Tax Asset/Liability	As at 31.03.09	Movement during the year	As at 31.03.10
1.Relating to Fixed Assets	(-)19,19,007.00	(-)120,919	(-)20,39,926
2. Provision for Gratuity	44,547.00	713	45,260
Deferred tax Liability (Net)	(-) 18,74,460.00	(-)120,206	(-)19,94,666

11. The company has carried out an impairment test as per 'Accounting Standard – 28' issued by I.C.A.I on all the assets and no provision was found to be required towards impairment of assets for the period ending 31st March, 2010.
12. The company does not have any non cancelable lease arrangements. Office premises are taken on operating lease and such lease rentals are charged to revenue on accrual basis
13. 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.
14. 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.
15. Balances under the head Debtors, Loans & Advances, Trade Creditors and other liabilities are subject to confirmation from the respective parties.
16. Previous year figures have been regrouped/recasted/reclassified/re-arranged wherever deemed necessary to conform with current year's classification.
17. 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.
18. Amounts, due and outstanding, to be credited to Investor Education and Protection Fund as on 31st March, 2010 - Nil. (p.y Nil).

19. 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:

	2009-2010		2008-2009	
	QTY(MT)		QTY(MT)	
BRIGHT STEEL BAR	2422.698		1888.183	
SCRAP	123.652		106.983	
IV. RAW MATERIAL CONSUMED & SOLD	QTY (MT)	VALUE (RS)	QTY (MT)	VALUE (Rs)
STEEL BARS	2657.199	7,13,85,457.78	2072.335	6,75,76,490.00
=====				
V. TURNOVER				
MANUFACTURING SALES				
BRIGHT STEEL BARS	2365.387		1938.348	
SCRAP	132.489	8,29,40,308.00	100.850	8,12,19,064.00
RAW MATERIAL	83.847		61.735	
TRADING SALES				
STEEL ROUNDS & BARS	624.214	2,60,05,065.00	338.649	1,40,69,216.00
		10,89,45,373.00		9,52,88,280.00
		=====		=====
VI. CLOSING STOCK				
BRIGHT STEEL BARS	130.03	42,19,391.00	72.719	20,52,624.00
SCRAP	5.57	105,830.00	14.407	2,30,512.00
TRADING GOODS	--	--	--	--
VII. OPENING 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
VIII. TRADING PURCHASES				
STEEL ROUNDS & BARS	624.214	2,49,66,563.00	329.551	1,29,07,097.00

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

22. Earnings/Outgoings in foreign currency:

Earnings : Rs. Nil (Previous year Nil)

Outgo : Rs. Nil (Previous year Nil)

23. Schedules 1 to 18 form integral part of accounts.

Signatures to schedules 1 to 18

As per our Report of even date attached.

For Dagliya & Co

Chartered Accountants

(F.R.N. 671S)

(JITENDRA KUMAR JAIN)

Partner

M.No.18398

For and on behalf of the Board

(S.B.CHACHAN)

Managing Director

(H M DUGAR)

Director

Place : Hyderabad

Date : 31-8-2010

CASH FLOW STATEMENT

Rs.'000

	FOR THE YEAR ENDED 31.3.10	FOR THE YEAR ENDED 31.3.09
A. CASH FLOW FROM OPERATING ACTIVITIES		
1 Net Profit/(Loss) before Tax and Extraordinary Items	2,214	1,940
2 Adjustments for:		
- Depreciation	1,120	980
- Interest Paid	1,336	974
- (Profit) / loss on sale of Investments	-	(50)
	2,456	1,904
Operating Profit before Working Capital Changes	4,670	3,844
3 Adjustments For		
- (Increase) / Decrease in Sundry Debtors	(15,338)	(3,146)
- (Increase) / Decrease in Inventories	12,526	407
- (Increase) / Decrease in Advance & Deposits	3,735	(578)
- Increase / (Decrease) in Sundry Creditors & Other Liabilities & Provisions	(414)	509
	509	(185)
Cash generated from operation	5,179	342
- Direct Taxes Paid (Net)	(568)	(575)
Net Cash from Operating Activities	4,611	(233)
Cash Flow from Investing Activities		
- Purchase of Fixed Assets (including CWIP)	(1,379)	(8,102)
- Sale of Investments	-	300
Net Cash from Investments Activities	(1,379)	(7,802)
Cash Flow Financing Activities		
- Borrowing/repayment of Secured Loans	(1,849)	6,292
- Interest Paid	(1,336)	(974)
- Proceeds from issue of Shares	-	2,750
Net Cash from Financing Activities	(3,185)	8,068
Net Charge in Cash & Cash Equivalent (A+B+C)	47	33
Opening Cash and Bank Balance	971	938
Closing Cash and Bank Balance	1,018	971

Note: (i) Figures in brackets are outflows

(ii) Previous Year's figures have been re-grouped wherever necessary

As per our Report of even date.

For DAGLIYA & CO.

(Chartered Accountants)

(F.R.N. 671S)

For and on Behalf of the Board

(JITENDRA KUMAR JAIN)

Partner

M.No. 18398

(S.B.CHACHAN)

(Managing Director)

(H.M DUGAR)

(Director)

Place: Secunderabad

Date : 31-08-2010

SCHEDULE VI
PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(1) **Registration Details:**

CIN	L27109AP1990PLC012099	State Code	01
Balance Sheet Date	31.03.10		

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

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

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

Total Liabilities	81,234.53	Total Assets	81,234.53
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Sources of Funds:

Paid up Capital	51000.00	Reserves & Surplus	11,479.82
Secured Loans	18,754.71	Unsecured Loans	—

Application of Funds:

Net Fixed Assets	24,915.40	Investments	---
Net Current Assets	58,313.80	Miscellaneous Expenditure	—
Deffered Tax Liability	(1,994.67)		

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

Turnover	109,232.24	Total Expenditure	107,017.87
Profit/ before tax	2,214.37	Profit/Loss after tax	1,525.82
Earning per Share in Rs.	0.30	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,
(F.R.N. 671S)

(JITENDRA KUMAR JAIN)

Partner

M.No. 18398

Place : Hyderabad

Date : 31.08.2010

For and on Behalf of the Board

(S.B. CHACHAN)

Chairman &
Managing Director

(H.M. DUGAR)

Director

ADITYA ISPAT LIMITED

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

Folio No.:

NOMINATION FORM

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

FORM 2B

(see rules 4CCC and 5D)

I/Weand.....the

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

Name and Address of Nominee

*** Nominee and Address of Guardian**

Name : _____

Name : _____

Address : _____

Address: _____

Date of Birth * :

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

Details of Shareholders :

Signature : _____

Signature : _____

Name : _____

Name : _____

Address : _____

Address : _____

Date : _____

Date : _____

Details of two Witnesses :

Name and Address

Signature with date

1.

2.

FOR OFFICE USE ONLY

Nomination Registration Number :

Date of Registration :

Checked by :

Please see instructions overleaf

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

INSTRUCTIONS :

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

ADITYA ISPAT LIMITED

(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

19th Annual General Meeting of the Company, to be held on Thursday, the 30th day of September, 2010 at

10.30 A.M. at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor, Lane Opp. G. Pulla

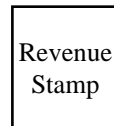
Reddy Sweets, Abids, Hyderabad - 500 001 and at any adjournment thereof.

Signed this the _____ day of _____ 2010.

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 19th Annual General Meeting of the company on Thursday, the 30th day of

September, 2010 at 10.30 A.M. at Rajasthani Graduates Association, Snatak Bhavan, 5-4-790/1, 1st Floor,

Lane Opp. G. Pulla Reddy Sweets, Abids, Hyderabad - 500 001

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

Member's Name (in block letters): _____

Name of the Proxy (in block letters): _____

Member's/Proxy Signature *

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

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

BOOK-POST
PRINTED MATTER

To



If undelivered, please return to :

ADITYA ISPAT LTD.

Regd. Office & Works :

Plot No. 20, Phase V, IDA,

Jeedimetla, Hyderabad - 500 055.