



ADITYA ISPAT LIMITED

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

26th
ANNUAL REPORT
2016 - 2017

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Board of Directors :

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

Chief Financial Officer :

Smt. Alphonsa Domingo

Company Secretary :

Shri Mahendra N. Soni

Auditors :

M/s. Dagliya & Co.
Chartered Accountants
5-5-9/13, 2nd Floor, Srinivasa Building,
Ranigunj, Secunderabad - 500 003.

Registered Office & Works :

Plot No. 20, Phase V,
IDA, Jeedimetla,
Hyderabad - 500 055.
e-mail : info@adityaispat.com
Website : www.adityaispat.com
CIN : L27109TG1990PLC012099

Bankers :

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

Registrar & Share Transfer Agents :

M/s. XL Softech Systems Private Limited
3 Sagar Society, Road No. 2, Hyderabad - 500 034.
Tel : 040-23545913/14/15, Fax : 23553214
E-mail : xlfield@gmail.com
ISIN NO. INE037E01016

**ADITYA ISPAT LIMITED**

CIN NO. L27109TG1990PLC012099

Registered Office: Plot No. 20, Phase V, IDA, Jeedimetla, Hyderabad – 500 055, IndiaWebsite : www.adityaispat.com | Email: info@adityaispat.com |

Phone: +914023773675, Fax: +914023746169

NOTICE

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

ORDINARY BUSINESS:

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

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

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

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

By order of the Board

Sd/-

S.B.Chachan

Chairman & Managing Director

Place: Hyderabad

Dated : 14.08.2017

Notes:

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

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

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

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

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

8. **Voting through electronic means:**

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

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

For Members holding shares in Demat Form and Physical Form

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

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

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

ANNEXURES TO THE NOTICE

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

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

DIRECTORS' REPORT

To
The Members of Aditya Ispat Limited,
 Hyderabad

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

1. FINANCIAL RESULTS:

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

(Rs. in Lakhs)

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

2. DIVIDEND & TRANSFER TO RESERVE:

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

3. OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY

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

4. FUTURE OUTLOOK:

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

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

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

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

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

5. MANAGEMENT DISCUSSION AND ANALYSIS

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

6. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

7. CHANGE IN THE NATURE OF BUSINESS

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

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

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

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

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