

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
AARTI RESOURCES PLC

Fuller and Roper Limited
Statutory Auditors
The Counting House
Church Farm Business Park
Corston
Bath
BA2 9AP

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for the Year Ended 31 MARCH 2013

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AARTI RESOURCES PLC
COMPANY INFORMATION
for the Year Ended 31 MARCH 2013

DIRECTORS.

Ravinder Kumar Gupta
Arun Kumar Agrawal

SECRETARY.

Jordan Company Secretaries Limited

REGISTERED OFFICE

Broadwalk House
5 Appold Street
London
EC2A 2HA

REGISTERED NUMBER:

07024184 (England and Wales)

AUDITORS

Fuller and Roper Limited
Statutory Auditors
The Counting House
Church Farm Business Park
Corston
Bath
BA2 9AP

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2013

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of a holding company

REVIEW OF BUSINESS

The company is yet to start any business activity other than that of acting as a holding company

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2013

FUTURE DEVELOPMENTS

The company will determine future developments once business activities have commenced

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

Ravinder Kumar Gupta
Arun Kumar Agrawal

GROUP'S POLICY ON PAYMENT OF CREDITORS

Payments are made to creditors as they become due

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are determined after taking account of global developments and countries' economic policies

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

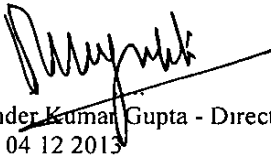
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2013

AUDITORS

The auditors, Fuller and Roper Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



Ravinder Kumar Gupta - Director
Date 04 12 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AARTI RESOURCES PLC

We have audited the financial statements of Aarti Resources Plc for the year ended 31 March 2013 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

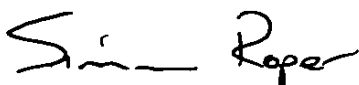
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Simon Roper (Senior Statutory Auditor)
for and on behalf of Fuller and Roper Limited
Statutory Auditors
The Counting House
Church Farm Business Park
Corston
Bath
BA2 9AP

Date 4/12/13

AARTI RESOURCES PLC (REGISTERED NUMBER 07024184)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 MARCH 2013

	Notes	2013 £	2012 £
TURNOVER		-	-
Administrative expenses		(36,160)	(33,998)
		<u>(36,160)</u>	<u>(33,998)</u>
Other operating income		1,231	1,223
		<u>1,231</u>	<u>1,223</u>
OPERATING LOSS	3	(34,929)	(32,775)
Interest receivable and similar income		256	365
		<u>256</u>	<u>365</u>
		(34,673)	(32,410)
Interest payable and similar charges	4	(114)	(83)
		<u>(114)</u>	<u>(83)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(34,787)	(32,493)
Tax on loss on ordinary activities	5	(178)	(133)
		<u>(178)</u>	<u>(133)</u>
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		<u>(34,965)</u>	<u>(32,626)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

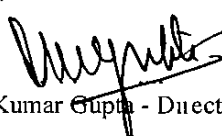
The group has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2013

		2013	2012 as restated
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	2,130	1,855
Tangible assets	8	35,000	52,500
Investments	9	-	-
		<u>37,130</u>	<u>54,355</u>
CURRENT ASSETS			
Debtors	10	29,613	23,630
Cash at bank and in hand		34,391	38,889
		<u>64,004</u>	<u>62,519</u>
CREDITORS			
Amounts falling due within one year	11	(140,758)	(121,533)
NET CURRENT LIABILITIES		<u>(76,754)</u>	<u>(59,014)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(39,624)	(4,659)
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	14	(89,624)	(54,659)
SHAREHOLDERS' FUNDS	17	<u>(39,624)</u>	<u>(4,659)</u>

The financial statements were approved by the Board of Directors on **4/12/13** and were signed on its behalf by

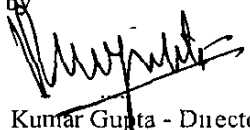

Ravinder Kumar Gupta - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2013

		2013	2012
	Notes	£	as restated £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	35,000	52,500
Investments	9	10,805	-
		<u>45,805</u>	<u>52,500</u>
CURRENT ASSETS			
Debtors	10	26,161	20,347
Cash at bank and in hand		20,567	24,933
		<u>46,728</u>	<u>45,280</u>
CREDITORS			
Amounts falling due within one year	11	(132,198)	(114,772)
NET CURRENT LIABILITIES		<u>(85,470)</u>	<u>(69,492)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(39,665)	(16,992)
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	14	(89,665)	(66,992)
SHAREHOLDERS' FUNDS	17	<u>(39,665)</u>	<u>(16,992)</u>

The financial statements were approved by the Board of Directors on - 4/12/13 and were signed on its behalf by


Ravinder Kumar Gupta - Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2013

		2013	2012
	Notes	£	as restated £
Net cash (outflow)/inflow from operating activities	1	(16,003)	75,293
Returns on investments and servicing of finance	2	142	282
Taxation		(130)	(231)
Capital expenditure	2	(603)	(70,000)
		<u>(16,594)</u>	<u>5,344</u>
Financing	2	-	19,980
(Decrease)/increase in cash in the period		<u>(16,594)</u>	<u>25,324</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		<u>(16,594)</u>	<u>25,324</u>
Change in net funds resulting from cash flows		<u>(16,594)</u>	<u>25,324</u>
Movement in net funds in the period		<u>(16,594)</u>	<u>25,324</u>
Net funds at 1 April		<u>38,889</u>	<u>13,565</u>
Net funds at 31 March		<u><u>22,295</u></u>	<u><u>38,889</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2013

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1 RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2013	2012 as restated
	£	£
Operating loss	(34,929)	(32,775)
Depreciation charges	17,828	17,832
Increase in debtors	(5,983)	(230)
Increase in creditors	7,081	90,466
Net cash (outflow)/inflow from operating activities	(16,003)	75,293

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	256	365
Interest paid	(114)	(83)
Net cash inflow for returns on investments and servicing of finance	142	282
Capital expenditure		
Purchase of intangible fixed assets	(603)	-
Purchase of tangible fixed assets	-	(70,000)
Net cash outflow for capital expenditure	(603)	(70,000)
Financing		
New loans in year	-	19,980
Net cash inflow from financing	-	19,980

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/12 £	Cash flow £	At 31/3/13 £
Net cash			
Cash at bank and in hand	38,889	(4,498)	34,391
Bank overdraft	-	(12,096)	(12,096)
	<u>38,889</u>	<u>(16,594)</u>	<u>22,295</u>
Total	<u>38,889</u>	<u>(16,594)</u>	<u>22,295</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 MARCH 2013**1 ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared under the historical cost convention

Goodwill

Goodwill relates to the acquisition of two companies in 2009 and 2010. Goodwill is not amortised as it is not considered material to the financial statements

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Motor vehicles - 25% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Fixed asset investments

The investments are stated at cost less any provision for diminution in value. Any profits or losses on disposal of investments are taken to the profit and loss account. Income from investments is recognised when entitlement to dividends or interest is established

2 STAFF COSTS

There were no staff other than directors during the year (2012: nil)

3 OPERATING LOSS

The operating loss is stated after charging

	2013	2012 as restated
	£	£
Depreciation - owned assets	17,500	17,500
Development costs amortisation	328	332
Auditors remuneration	4,391	2,498
Foreign exchange differences	149	976
	<u>1,267</u>	<u>1,275</u>
Directors' remuneration		
	<u>1,267</u>	<u>1,275</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012 as restated
	£	£
Bank interest	114	83
	<u>114</u>	<u>83</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013

5 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2013	2012 as restated
	£	£
Current tax		
Foreign tax	178	133
	<u>178</u>	<u>133</u>
Tax on loss on ordinary activities	<u>178</u>	<u>133</u>

6 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(22,673) (2012 - £(30,883)).

7 INTANGIBLE FIXED ASSETS

Group

	Goodwill	Development	Totals
	£	costs £	£
COST			
At 1 April 2012	1,051	1,514	2,565
Additions	603	-	603
	<u>1,654</u>	<u>1,514</u>	<u>3,168</u>
At 31 March 2013	<u>1,654</u>	<u>1,514</u>	<u>3,168</u>
AMORTISATION			
At 1 April 2012	-	710	710
Amortisation for year	-	328	328
	<u>-</u>	<u>1,038</u>	<u>1,038</u>
At 31 March 2013	<u>-</u>	<u>1,038</u>	<u>1,038</u>
NET BOOK VALUE			
At 31 March 2013	<u>1,654</u>	<u>476</u>	<u>2,130</u>
At 31 March 2012	<u>1,051</u>	<u>804</u>	<u>1,855</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013**8 TANGIBLE FIXED ASSETS****Group**

	Motor vehicles £
COST	
At 1 April 2012 and 31 March 2013	70,000
DEPRECIATION	
At 1 April 2012	17,500
Charge for year	17,500
At 31 March 2013	35,000
NET BOOK VALUE	
At 31 March 2013	35,000
At 31 March 2012	52,500

Company

	Motor vehicles £
COST	
At 1 April 2012 and 31 March 2013	70,000
DEPRECIATION	
At 1 April 2012	17,500
Charge for year	17,500
At 31 March 2013	35,000
NET BOOK VALUE	
At 31 March 2013	35,000
At 31 March 2012	52,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2012	33,895
Additions	5,847
	<u>39,742</u>
At 31 March 2013	
PROVISIONS	
At 1 April 2012	33,895
Impairments	(4,958)
	<u>28,937</u>
At 31 March 2013	
NET BOOK VALUE	
At 31 March 2013	<u>10,805</u>
At 31 March 2012	<u>-</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Aarti Holdings (Mauritius) Limited
Country of incorporation Mauritius
Nature of business Holding company

	% holding 100.00	2013 £	2012 £
Class of shares			
Ordinary			
Aggregate capital and reserves		6,268	12,535
Loss for the year		<u>(6,267)</u>	<u>(6,900)</u>

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Trade debtors	3,452	-	-	-
Other debtors	5,851	3,283	5,851	-
Called up share capital not paid	20,035	20,035	20,035	20,035
Prepayments	275	312	275	312
	<u>29,613</u>	<u>23,630</u>	<u>26,161</u>	<u>20,347</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Bank loans and overdrafts (see note 12)	12,096	-	12,096	-
Trade creditors	324	1,912	275	1,912
Tax	167	119	-	-
Other creditors	110,132	116,622	115,827	109,980
Accrued expenses	18,039	2,880	4,000	2,880
	<u>140,758</u>	<u>121,533</u>	<u>132,198</u>	<u>114,772</u>

12 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	<u>12,096</u>	<u>-</u>	<u>12,096</u>	<u>-</u>

13 CALLED UP SHARE CAPITAL

Allotted and issued		Nominal value		
Number	Class		2013	2012 as restated
			£	£
5,000,000	Ordinary	£0.01	<u>50,000</u>	<u>50,000</u>

14 RESERVES

Group		Profit and loss account £
At 1 April 2012		(54,659)
Deficit for the year		<u>(34,965)</u>
At 31 March 2013		<u>(89,624)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013

14 RESERVES - continued

Company

	Profit and loss account £
At 1 April 2012	(66,992)
Deficit for the year	(22,673)
At 31 March 2013	<u>(89,665)</u>

15 RELATED PARTY DISCLOSURES

Aromatic Steel Private Limited

Parent company of Aarti Resources Plc

Included within other creditors is an amount of £109,980 (2012 £109,980), owed to Aromatic Steel Private Limited, a company incorporated in India and the immediate parent company

16 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Aromatic Steel Private Limited, a company registered in Chandigarh, India. The ultimate beneficial owners are Sanjay Singal, Aarti Singal and their children.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013	2012 as restated
	£	£
Loss for the financial year	(34,965)	(32,626)
Net reduction of shareholders' funds	(34,965)	(32,626)
Opening shareholders' funds	(4,659)	27,967
Closing shareholders' funds	<u>(39,624)</u>	<u>(4,659)</u>

Company

	2013	2012 as restated
	£	£
Loss for the financial year	(22,673)	(30,883)
Issue of share capital		
Net reduction of shareholders' funds	(22,673)	(30,883)
Opening shareholders' funds	(16,992)	13,891
Closing shareholders' funds	<u>(39,665)</u>	<u>(16,992)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2013

18 COMPARATIVE FIGURES

The comparative consolidated figures have been restated to include Radhika Steels Pvt Ltd and Sidhivanayak International Pvt Ltd, subsidiaries of Aarti Holdings (Mauritius) Ltd. These subsidiaries are now material to the financial statements.