



**ADITYA FORGE LIMITED**

**DIRECTORS**

SHRI NITIN R. PAREKH	Chairman & Managing Director
SHRI PANKAJ R. PAREKH	Director
SHRI MAHESH NANDANI	Director
SHRI SUBHASH DALAL	Director
SHRI VISHNUBHAI PATEL	Director

**AUDITORS**

M/S K J SHAH & CO.  
Chartered Accountants  
1<sup>st</sup> Floor, Satsang Apartment,  
Kothi – Salatwada Road  
BARODA – 390 001.

**REGISTERED OFFICE**

412 TO 41S, G.I.D.C.,  
RAMANGAMDI, POR – 391 243,  
DIST. BARODA.

**FACTORY**

412 TO 41S, G.I.D.C.,  
RAMANGAMDI, POR – 391 243,  
DIST. BARODA.

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**NOTICE**

NOTICE is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of **ADITYA FORGE LIMITED** will be held on Thursday, 29<sup>th</sup> September, 2011 at 11.00 a.m. at the registered office of the Company at 415 GIDC, Ramangamdi Por, NH 8, Vadodara to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March, 2011, the Profit & Loss Account for the year ended on that date, together with the Directors report and Auditors report.
2. To appoint a Director in place of Mr. Nitin Parekh who retires by rotation and is eligible for reappointment.
3. To reappoint K.J Shah & Co, Chartered Accountant, Vadodara, as Statutory Auditors of the Company, having registration no. FRN 132369W issued by the Institute of Chartered Accountant of India, New Delhi, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

**Place:** Por, Ramangamdi  
**Date:** 3<sup>rd</sup> September, 2011

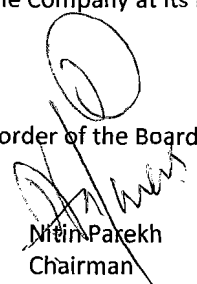
For & on behalf of the Board

Nitin Parekh  
Chairman

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 26, 2011 to Thursday, September 29, 2011 (both days inclusive).
4. Members' desires of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at the registered office of the Company well in advance so as to reach at least 7 days before the date of meeting to enable the Management to keep the information required readily available at the meeting.
5. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio Number.

By order of the Board of Directors

  
Nitin Parekh  
Chairman

**Place:** Por, Ramangamdi  
**Date:** 3<sup>rd</sup> September, 2011

**Registered Office:**  
415 GIDC, Ramangamdi Por,  
NH 8, Vadodara

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2011.

**(1) FINANCIAL AND WORKING RESULTS:**

Particulars	2010-2011 (Rs in Lakhs)	2009-2010 (Rs in Lakhs)
TOTAL INCOME	<b>4223.37</b>	<b>2396.26</b>
GROSS PROFIT/(LOSS) BEFORE DEPRECIATION	<b>102.06</b>	<b>172.72</b>
(Less): Depreciation	(75.83)	(45.67)
PROFIT / (LOSS) BEFORE TAXATION	<b>26.23</b>	<b>127.07</b>
(Less): Provision for Deferred Tax	(4.93)	
(Less): Provision for Fringe Benefit Tax	-	(8.98)
(Less): Tax Adjustments for prior year	(0.91)	NIL
NET PROFIT/(LOSS) AFTER TAX	<b>32.08</b>	<b>118.09</b>
Add: Balance Brought Forward	(350.23)	(468.32)
Balance carried to Balance Sheet	<b>(318.97)</b>	<b>(350.23)</b>

**(2) DEPOSITS:**

The Company has not accepted deposits from the public.

**(3) DIVIDENDS:**

In view of carried forward losses, your Directors do not recommend any dividend for the financial year under review.

**(4) YEAR IN RETROSPECT AND FUTURE OUTLOOK:**

During the year, the Company has made remarkable growth in terms of turn over as compared to the previous financial year, i.e. from Rs. 2422.03 lacs to Rs. 4050.09 lacs, almost rise of 67%. Even though higher volume of turnover, net profitability has been reduced from Rs. 127.07 to Rs. 26.23 lacs on account of substantial increase in cost of raw material, stores & spares consumption and selling & distribution expenditure, administration expenses etc. All out efforts are made to improve the performance and in turn to achieve top line and bottom line.

Suspension of operations by Madhavpura Mercantile Co-operative Bank Ltd (MMCBL), our banker and their non-cooperation for agreeing to a rehabilitation package in time at BIFR badly affected financial health.

As already informed, your Company had been approved term loan and working capital facilities by MMCBL. Due to their financial failure in the year 1999-2000 they did not release working capital matching with your Company's requirement. Instead they filed suits against Company and Directors of the Company.

However, your directors have negotiated for One Time Settlement (OTS) with MMCBL and have agreed for the same. In order to bail out the Company, promoters of the Company propose to infuse the equity, as Public Issue/Right Issue by the Company having carried forward losses may not evoke good response.

**(5) PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration of Rs. 60.00 lac p.a. or Rs. 5.00 Lac p.m. for part of the year or more and hence no particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956.

**(6) PARTICULARS RELATING TO CONSERVATION OF ENERGY:****A. CONSERVATION OF ENERGY:**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

**B. FOREIGN EXCHANGE EARNINGS & OUTGO :**

During the year, the Company has neither earned nor spent any foreign exchange.

**(7) DIRECTORS' RESPONSIBILITY STATEMENT:**

- i) Your Directors have followed the applicable Accounting standards along with proper explanation relating to material departures if any, while preparing the annual accounts;
- ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the period;
- iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) Your Directors have prepared the annual accounts on a going concern basis.

**(8) DIRECTORATE:**

Mr. Nitin Parekh who retire by rotation from the Directorship at the ensuing Annual General Meeting and being eligible offer himself for retirement.

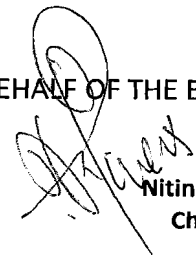
**(9) AUDITORS:**

M/s K.J Shah & Co, Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. You are requested to appoint Auditors and fix their remuneration.

**(11) ACKNOWLEDGEMENTS:**

Your Directors take opportunity to express their gratitude to government, employees and shareholders for their valuable support and co-operation.

FOR AND ON BEHALF OF THE BOARD



Nitin Parekh  
Chairman

Date: 3<sup>rd</sup> September, 2011

Place: Vadodara

INFORMATION AS PER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

I. CONSERVATION OF ENERGY:

- a) Energy conservation measures taken:
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of Industries specified in the schedule thereto:

ANNEXURE  
FORM A

Form for disclosure of particulars with respect of conservation of energy

(A) Power and Fuel consumption:	<u>2010-2011</u>	<u>2009-2010</u>
1. Electricity:		
(a) Purchased:		
Units (HT Line)		
Total Amount [Rs.]		
Rate [Rs.]/unit		
(b) Own Generation:		
(i) Through Diesel Generation	N.A	N.A
Units		
Qty. Purchased (Ltrs.)		
Total Amount [Rs.]		
Units per Ltr. of Diesel Oil		
Cost/Unit		
(ii) Through steam turbine /Generator	N.A	N.A
Units		
Units per Litre. of Fuel Oil/Gas		
Cost/Units		
2. Coal ( specify quality and where used):	N.A	N.A
(Agro Waste for Boiler)		
Quantity (Tonnes)		
Total Cost [Rs.]		
Average Rate [Rs./MT]		
3. Furnace Oil:	N.A	N.A
Quantity (K. Ltrs.)		
Total Amount		
Average Rate		
4. Others/internal generation (please give details)	N.A	N.A
Quantity		
Total Cost		
Rate/unit		

(B) Consumption per unit of production: N.A

	Standard (if any)	Current year	Previous year
Products (with details) unit			
Electricity			
Furnace Oil			
Coal (specify quality)			
Others (specify)			

## NOTES:

- (1) Please give separate details for different products/items produced by the company and covered under these rules.
- (2) Please give reasons for variation in the consumption of power and fuel from standards of previous year.
- (3) In case of production of different varieties/specifications consumption details may be given for equivalent production.

**FORM B****Form for disclosure of particulars with respect to absorption.**

## Research &amp; Development (R&amp;D):

- (1) Specific areas in which R&D carried out by the Company :
- (2) Benefits derived as a result of the above R&D :
- (3) Future Plan of Action :
- (4) Expenditure on R&D :
  - (a) Capital
  - (b) Recurring
  - (c) Total
  - (d) Total R&D expenditure as a Percentage of total turnover.

Technology absorption, adaptation and innovation: N.A

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
2. Benefits derived as a result of the above efforts e.g. products improvement, cost reduction, product development, import substitution, etc.:
3. In case of imported technology ( imported during the last 5 years from the beginning of the financial year), following information may be furnished:
  - (a) Technology imported.
  - (b) Year of import.
  - (c) Has technology been fully absorbed?
  - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.

**II FOREIGN EXCHANGE EARNINGS & OUTGO**

- a) Foreign Exchange Earned : NIL
- b) Foreign Exchange Used : NIL

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has always been committed to the principles of good governance. The Company believes that all its operations and actions must serve the underlying objective of enhancing overall shareholder value over a sustained period of time to protect the interest of all the shareholders.

**BOARD OF DIRECTORS**

Composition and category of Directors.

The Board of Directors consists of Four Directors

Name of Directors	Category
Shri Nitin R Parekh	Managing Director –Promoter
Shri Pankaj R Parekh	Director Promoter
Shri Mahesh Nandani	Independent Director
Shri Subhash Dalal	Independent Director
Shri Vishnu Patel	Independent Director

**Meetings and Attendance**

The Board of Directors meets at least once in quarter to approve the financial results in compliance with Listing Agreement and more often, if considered necessary, to transact any other business.

No Director is a member of more than ten committees or Chairman of more than five committees in other Companies in which they are Directors.

During the year under review, five Board meetings were held on 29<sup>th</sup> April, 2010, 27<sup>th</sup> July, 2010, 24<sup>th</sup> August, 2010, 28<sup>th</sup> November, 2010 and 17<sup>th</sup> February, 2011.

Attendance of directors at the meetings of the Board of Directors held during the year and Annual General Meeting held on 29th December, 2010 is as follows.

Name of Director	No. of Board meetings attended during 2010-2011.	Whether present at the last AGM.
Shri Nitin R Parekh	5	Yes
Shri Pankaj R Parekh	5	Yes
Shri Mahesh Nandani	5	Yes
Shri Subash Dalal	5	Yes
Shri Vishnu Patel	5	Yes



**AUDIT COMMITTEE**

The terms of reference of the Audit committee apart from those specified in the Listing Agreement of the Stock Exchange broadly pertain to review of business practices, review of investment policies, review of compliance and review of systems and controls. The Audit committee consists of three members including two Non-executive Directors viz. Shri Subhash Dalal and Shri Vishnubhai Patel independent Directors and Shri Nitin R Parekh, Managing Director. In addition to the Audit committee members, head of accounts and the Statutory Auditors attend the meetings.

During the year under review, Audit committee meetings were held five times on 29<sup>th</sup> April, 2010, 27<sup>th</sup> July, 2010, 24<sup>th</sup> August, 2010, 28<sup>th</sup> November, 2010 and 17<sup>th</sup> February, 2011 under the Chairmanship of Shri Subhash Dalal, which were attended by all the Members of the Audit committee.

**REMUNERATION COMMITTEE**

The committee comprises of all independent non executive Directors with Shri Vishnubhai Patel as Chairman, Shri Subhash Dalal and Shri Mahesh Nandani as other members of the committee. The remuneration policy aims at rewarding performance, based on systematic and periodic review of achievements. The remuneration policy is in consonance with the prevailing industrial practices and laws.

During the year under review, no meeting of Remuneration Committee was held.

**INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE**

Investors' Grievance committee is headed by Mr. Pankaj Parekh, an Independent Director, Shri Nitin Parekh and Mrs. Rekha Parekh as members of the committee. The committee supervises and transfer /transmission/ transposition/ issue of duplicate share certificates in lieu of lost /misplaced/ worn out etc. Share certificate, issue of fresh share certificate in view of dematerialization of shares, consolidation and division and incidental matters relating to shares.

**GENERAL BODY MEETINGS**

Locations and time, of last three Annual General Meetings held.

Details of AGM	Location	Date & Time	No. of Special Resolution passed
Sixteenth	Regd. Office of the Company at 415, GIDC, Ramangamdi, N.H. No. 8, Por, dist. Vadodara.	30/09/08 At 12.00 Noon	NIL
Seventeenth	-do-	30/09/2009 At 12.00 Noon	NIL
Eighteenth	-do-	29/12/2010	NIL

**NOTES ON DIRECTORS APPOINTMENT /RE-APPOINTMENT****DISCLOSURES**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

There has been no non-compliance by the Company, no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

## GENERAL SHAREHOLDERS INFORMATION

18th Annual General Meeting : Date: 29th September, 2011  
Time: 11.00 a.m.

Venue : Registered office of the Company  
At 412 to 415 GIDC  
Ramangamdi, Por-391243  
Dist. Baroda.

## FINANCIAL CALENDAR

<i>Financial calendar- 2011-12</i>	<i>Proposed Dates</i>
Unaudited results for the quarter ending on 30th June, 2011	30 <sup>th</sup> July, 2011
Unaudited results for the quarter ending on 30 <sup>th</sup> September, 2011	15th November, 2011
Unaudited results for the quarter ending on 31 <sup>st</sup> December, 2011	15th February, 2012
Unaudited results for the quarter ending on 31 <sup>st</sup> March, 2012	15th May, 2012

Dates of book closure : 26-09-2011 to 29-09-2011

Listing on the Stock Exchanges : Bombay Stock Exchange Ltd.  
Vadodara Stock Exchange Ltd.

Stock code : BSE-522150

ISIN No. of the Company's Equity : INE281H01013

Shares in Demat form :

Depository Connectivity : CDSL, NSDL

Registrar and share transfer Agent : SHAREPRO SERVICES INDIA PVT LTD.  
416-420, 4th Floor, Devnandan Mall,  
Opp Sanyas Ashram,  
Ashram Road, Ellisbridge,  
Ahmedabad-380006  
Email: sharepro@shareproservices.com

Tel: 079-26582381 to 84  
Fax- 079-26582385

Share transfer, transmission and dematerialization of shares are registered and returned well within the stipulated period.