



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
1st Floor, Satsang Apartment,
Kothi – Salatwada Road
BARODA – 390 001.

REGISTERED OFFICE

412 TO 415, G.I.D.C.,
RAMANGAMDI, POR – 391 243,
DIST. BARODA.

FACTORY

412 TO 415, G.I.D.C.,
RAMANGAMDI, POR – 391 243,
DIST. BARODA.

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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **ADITYA FORGE LIMITED** will be held on Thursday, 29th September, 2012 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 31st March, 2012, 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. Pankaj Parekh who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Mahesh Nandani who retires by rotation and is eligible for reappointment.
4. 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: 25th August, 2012

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 Wednesday, September 26, 2012 to Saturday, September 29, 2012 (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

Place: Por, Ramangamdi

Date: 25th August, 2012

Nitin Parekh
Chairman

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, 2012.

(1) FINANCIAL AND WORKING RESULTS:

Particulars	2011-2012 (Rs In Lakhs)	2010-2011 (Rs In Lakhs)
TOTAL INCOME	2716.15	4223.37
GROSS PROFIT/(LOSS) BEFORE DEPRECIATION	117.96	102.06
(Less): Depreciation	(77.31)	(75.83)
PROFIT / (LOSS) BEFORE TAXATION	40.65	26.23
(Less): Provision for Deferred Tax	5.41	(4.93)
(Less): Provision for Fringe Benefit Tax	-	-
(Less): Tax Adjustments for prior year	0.35	(0.91)
NET PROFIT/(LOSS) AFTER TAX	45.70	32.08
Add: Balance Brought Forward	(318.97)	(350.23)
Balance carried to Balance Sheet	(273.27)	(318.97)

(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 turnover of your company reduced as compared to previous financial year i.e from Rs. 4050.09 lacs to Rs.2711.70 lacs. Even though lowerr volume of turnover as compared to last year, net profitability has increased from Rs. 26.23 lakhs to Rs. 45.70 lacs on account of substantial savings 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. Pankaj Parekh and Mr Maheshbhai Nandani, 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: 25th August, 2012

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 31ST MARCH, 2012.

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>2011-2012</u>	<u>2010-2011</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 & Development (R&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

Kamlesh Shah
B.Com.F.C.A.

 **K. J. Shah & Co.**
Chartered Accountants

Auditor's Report

To,
The Members of
Aditya Forge Limited

We have audited the annexed Balance sheet of **ADITYA FORGE LIMITED**, as at 31/03/2012 and the Profit and Loss Statement for the year ended on that date annexed thereto and the Cash flow for the year ended on that date. 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.

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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. This report does includes a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the department of company affairs, in terms of section 227 (4A) of the companies Act, 1956.

2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:

- (a) 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;
- (b) In our opinion books of accounts as required by the law have been kept by the Company so far as it appears from the examination of such books;
- (c) The Balance Sheet and the Profit and Loss Statement and cash flow statment, dealt with by this report, are in agreement with the said books of accounts;
- (d) In our opinion the Balance Sheet and Profit & Loss Statement and cash flow statment comply with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.