

25TH ANNUAL REPORT  
2016-17

**ADITYA FORGE LIMITED**

CIN : L27100GJ1992PLC017196

Plot No 412-415, GIDC NOTIFIED AREA  
AT & POST POR DISTRICT VADODARA PIN 391243

PHONE 91-0265-2830729-731

WEBSITE: [www.adityaforge.com](http://www.adityaforge.com) EMAIL : [cfo@adityaforge.com](mailto:cfo@adityaforge.com)  
LISTED AT BOMBAY STOCK EXCHANGE - ISIN INE281H01013



ISO 9001:2008 Certified  
With Certificate  
Registration No.  
01 100 106688

AD 2000-Merkblatt W O  
PED/97/23/EC Certified  
with Certificate  
Registration No.  
01 202 IND/Q-11-0006



CIN : L27100GJ1992PLC017196

## NOTICE

~~NOTICE~~ is hereby given that 25<sup>th</sup> Annual General Meeting of **ADITYA FORGE LIMITED** will be held on 30<sup>th</sup> September, 2017 at 11.00 a. m at the Registered office of the company at 415, G.I.D.C., Raman gamdi, NH 8, POR, District-Vadodara to transact following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and the Profit and Loss Account for the year ended even date along with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Vishnubhi Patel (DIN: 00070985) who retire by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Subhash Dalal (DIN: 00058906) who retire by rotation and is eligible for reappointment.
4. To reappoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT **M/s. K.J Shah & Co.**, Chartered Accountants, (Registration No. 132369W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company."

the Board

For and on behalf of

Nitin R. Parekh  
Managing Director

Date: 7<sup>th</sup> September 2017  
Place: Por Ramangamdi



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**NOTES:**

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten 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 only as a proxy and such person shall not act as proxy for other shareholder
- (2) Proxy, in order to be effective, must be received at the registered office of the company not less than 48 hours before the meeting.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25<sup>th</sup> September 2017 to Thursday, 28<sup>th</sup> September 2017 (Both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2017.
- (4) Members Desirous to obtain 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 seven days prior to the date of meeting to enable the Directors to keep the required information ready for making available to concerned member during the meeting.
- (5) Members are advised to notify the change of address, if any, immediately to the Company at its Registered Office, quoting their folio number.
- (6) Members / Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
- (7) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



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- (8) The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 124 of the Companies Act, 2013, during the current Financial Year is not applicable.
- (9) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- (10) Members may also note that the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report for financial year 2016-2017 will also be available on the Company's website [www.adityaforge.com](http://www.adityaforge.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cfo@adityaforge.com](mailto:cfo@adityaforge.com).
- (11) All documents referred to in the Notice will be available for inspection at the registered office of the Company during normal business hours on working days excluding Sunday and Public Holiday from 11.00 a.m. to 2.00 p.m. up to the date of AGM.
- (12) Due to financial crisis, the company was unable to give e-voting facility to their shareholders.

For and on behalf of the Board

Nitin R. Parekh  
Managing Director

Date: 7<sup>th</sup> September 2017

Place: Por Ramangamdi

**Registered Office:**

Plot No 415, GIDC, Ramangamdi

NH 8, Por – District Vadodara

Gujarat

[www.adityaforge.com](http://www.adityaforge.com)

**Manufacturers & Suppliers of Forged Flanges & Pipe Fittings**

Works : 415, G.I.D.C., Ramangamdi, Por - 391243 Dist. Vadodara, Gujarat, India.  
Tel : +91-265-2830325 / 2830729, 2830731 Fax : +91-265-2830324



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Email:- [cfo@adityaforge.com](mailto:cfo@adityaforge.com)

## BOARD'S REPORT

We are pleased to present the Twenty Fourth Annual Report of ADITYA FORGE LIMITED together with Audited Financial Statements and Auditor's Report for the financial year ended on 31<sup>st</sup> March, 2017. The Financial Highlights of the year under review are given below:

### 1. FINANCIAL RESULTS:

In Rupees

Particulars	2016-17	2015-16
Total Income	14,02,55,343	79,080,853
Total Expenses	14,06,25,776	84,019,458
<b>Gross Profit/(Loss) Before Depreciation</b>	<b>(3,70,433)</b>	<b>(4,938,605)</b>
(Less): Depreciation	1,03,24,565	10,907,906
<b>Profit/(Loss) Before Taxation</b>	<b>(1,06,94,998)</b>	<b>(1,58,46,511)</b>
(Less): Provision for Deferred Tax	(29,98,921)	(3,071,337)
(Less): Tax Adjustments for prior year		
<b>Net Profit/(Loss) After Tax</b>	<b>(1,36,93,919)</b>	<b>(1,89,17,848)</b>
<b>Earnings Per Share</b>		
Basic	(3.18)	(4.39)
Diluted	(3.18)	(4.39)

### FINANCIAL PERFORMANCE:

During the year under review your Company has recorded a higher turnover of Rs. 14.02 Crore as against Rs. 7.90 crore in the previous year. The Net Loss (after Tax and Extraordinary item) for the financial year ended 31<sup>st</sup> March, 2017 is Rs. 1.07 Crore as against Net Loss of Rs. 1.58 crore in the previous year.

### 2. DIVIDEND:

In view of carried forward losses and current losses your director do not recommend any dividend for the financial year under review.

### 3. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was Rs. 43,086,000/-. During the year under review the Company has not issued any shares or any convertible instruments.

### 4. MATERIAL CHANGES:

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.



# Twenty Fifth Annual Report of ADITYA FORGE LIMITED

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## 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this report.

## 6. RISK MANAGEMENT

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy risk, Liquidity risk, and Systems risk. The Company has in place adequate mitigation plans for the aforesaid risks.

## 7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company for the financial year 2016-17.

## 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable.

## 9. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business, particulars of contracts entered during the year as per Form AOC-2 are enclosed.

## 10. DIRECTORS:

Mr. Vishnubhai Patel who retire by rotation from the Directorship at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

## 11. MEETINGS:

A calendar of Meetings is prepared and circulated in advance to the Directors. During the financial year 2016-17 the Board met 05 (Five) times on 23.04.2016, 15.05.2016, 30.07.16, 22.10.16, 13.01.2017 and Audit Committee Meetings were convened and held for 04 (Four) times on 30-04-2016, 15-05-2016, 29-07-2016, 12-11-2016 & 28-01-2017. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



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## 12. DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## 13. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 14. ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure and the same is attached to this Report.

## 15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

## 16. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.



# Twenty Fifth Annual Report of ADITYA FORGE LIMITED

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## 17. AUDITORS:

M/s. KJ Shah and Co, Chartered Accountants, Auditors of the Company retires at the Conclusion of this Annual General Meeting and being eligible offer themselves for reappointment.

## 19. STATUTORY AUDITORS

The Company's Auditors M/s. KJ Shah and Co, Chartered Accountants, Vadodara who retired at the ensuing Annual General Meeting of the Company is eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## 18. OBSERVATION OF AUDITORS:

There is no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

## 19. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

## 20. SHARES:

### a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

### b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

### c. BONUS SHARES

No Bonus Shares were issued during the year under review.

### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

## 21. CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.





# Twenty Fifth Annual Report of ADITYA FORGE LIMITED

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## 22. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is appended as Annexure to this Report.

## 23. PARTICULARS OF EMPLOYEES:

The Company did not have any employee who draw monthly remuneration more than Rs.8,50,000/- and Yearly remuneration more than Rs. 1,20,00,000 as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 24. COST AUDIT:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 dated 31/12/2014 prescribed by the Central Government under section 148 (1)(d) of the Companies Act, 2013 is not applicable to the Company.

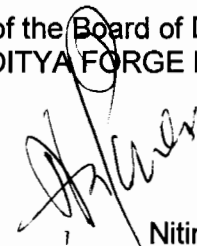
## 25. HUMAN RESOURCES:

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance.

## ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors  
For ADITYA FORGE LIMITED



Nitin Parekh  
Managing Director

Place: Vadodara

Date: 31.08.2017

## Annexure-I to the Board's Report 2016-17

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31<sup>st</sup> March, 2017

- 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:



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## ANNEXURE FORM A- Form for disclosure of particulars with respect of conservation of energy

(A) Power and Fuel Consumption:	2016-17	2015-16
1. Electricity:		
➤ Purchased:		
Units (HT Line)	586959	639877
Total Amount (Rs.)	4142448	5272586
Rs. /Unit	7.05	8.24
➤ Own Generation:		
I. Through Diesel Generation Unit	N.A.	N.A.
Qunt. Purchased (Ltrs.)		
Amount (RS.)		
Unit 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/Unit		
2. Coal (specify quality and where used): (Agro Waste for Boiler)	N.A.	N.A.
Quantity (Tones)		
Total Cost [Rs.]		
Average Rate [Rs./MT]		
3. Furnace Oil:		
Quantity (K Ltrs.)	194.190	302.803
Total Amount	4719502	5424741
Average Rate	24.303	17.915
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 detailed)			
Unit		*	112862
Electricity		*	46.75
Furnace Oil		*	1.02
Coal (Specific Quality)		N A	N A
Others (specify)		N A	N A

Though instructions as under are given, considering items sold are in numbers as well as kgs and hence it is not possible to differentiate consumption of electricity and furnace oil as per unit.

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.



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## 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.

### II. 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.

### III. FOREIGN EXCHANGE EARNINGS & OUTGO:

- |                            |      |
|----------------------------|------|
| a) Foreign Exchange Earned | N.A. |
| b) Foreign Exchange Used   | N.A. |

For and on behalf of the Board of Directors  
For ADITYA FORGE LIMITED

  
Nitin Parekh  
Managing Director

Place: Vadodara  
Date: 31-08-2017



**Aditya Forge Limited**  
**Balance Sheet as at 31 March, 2017**

Particulars	Note No.	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
<b>A EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	3	4,30,86,000		4,30,86,000	
(b) Reserves and surplus	4	(12,71,90,629)		(11,34,96,711)	
(c) Money received against share warrants		-	(8,41,04,629)	-	(7,04,10,711)
<b>2 Share application money pending allotment</b>					
			-		-
<b>3 Non-current liabilities</b>					
(a) Long-term borrowings	5	8,02,95,476		8,33,45,476	
(b) Deferred tax liabilities (net)	23.1	41,43,894		11,44,973	
(c) Other long-term liabilities		-		-	
(d) Long-term provisions		-	8,44,39,370	-	8,44,90,449
<b>4 Current liabilities</b>					
(a) Short-term borrowings	6	72,87,300		4,02,323	
(b) Trade payables	7	3,40,90,632		1,88,01,664	
(c) Other current liabilities	8	2,47,91,812		4,22,49,810	
(d) Short-term provisions	9	37,54,551		27,55,383	
			6,99,24,295		6,42,09,180
<b>TOTAL</b>			<b>7,02,59,036</b>		<b>7,82,88,918</b>
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
<b>(a) Fixed assets</b>					
(i) Tangible assets	10	3,24,62,965		4,59,50,732	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress	10	-		-	
(iv) Intangible assets under development		-		-	
(v) Fixed assets held for sale		-		-	
		3,24,62,965		4,59,50,732	
(b) Non-current investments		-	3,24,62,965	-	4,59,50,732
(c) Deferred tax assets (net)	23.1	-		-	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-		-	
<b>2 Current assets</b>					
(a) Current investments	11	16,31,600		16,31,600	
(b) Inventories	12	23,44,883		1,04,57,237	
(c) Trade receivables	13	1,33,28,223		31,75,277	
(d) Cash and cash equivalents	14	10,10,061		4,57,491	
(e) Short-term loans and advances	15	1,61,36,639		1,32,62,755	
(f) Other current assets	15a	33,44,665		33,53,826	
			3,77,96,071		3,23,38,186
<b>TOTAL</b>			<b>7,02,59,036</b>		<b>7,82,88,918</b>
<b>C CONTINGENT LIABILITIES</b>					
	16		36,10,204		1,31,12,264

See accompanying notes forming part of the financial statements

In accordance of our report of even date.

For, K. J. Shah & Co.  
Chartered Accountants  
Firm Reg. No.: 132369W



Kamlesh J. Shah  
Proprietor  
Membership No.: 042390  
Place : Vadodara  
Date : 31/08/2017

For and on behalf of the Board of Directors  
Aditya Forge Limited  
**For ADITYA FORGE LTD. For ADITYA FORGE LTD.**

Director

*(Signature)*  
Director

Director

*(Signature)*  
Director

Director

Place : Vadodara  
Date : 31/08/2017

## Aditya Forge Limited

**Profit and Loss Statement for the year ended as on 31 March, 2017**

Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
		₹	₹	₹	₹
1 Revenue from operations (net)	17	13,68,50,599		7,87,21,823	
2 Other income	18	34,04,744		3,59,030	
<b>3 Total revenue (1+2)</b>			<b>14,02,55,343</b>		<b>7,90,80,853</b>
<b>4 Expenses</b>					
(a) Cost of materials consumed	19.a	10,20,94,039		7,09,76,566	
(b) Purchases of stock-in-trade		-		-	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.b	81,12,354		(76,06,482)	
(d) Employee benefits expense	20	1,49,90,839		1,04,18,322	
(e) Finance costs	21	2,42,256		50,289	
(f) Depreciation and amortisation expense	10	1,03,24,565		1,09,07,906	
(g) Other expenses	22	1,51,86,288		1,01,80,763	
<b>5 Total expenses</b>			<b>15,09,50,341</b>		<b>9,49,27,364</b>
<b>6 Profit before exceptional and extraordinary items and tax (3-5)</b>			<b>(1,06,94,998)</b>		<b>(1,58,46,511)</b>
7 Exceptional Items			-		-
<b>8 Profit before Extraordinary Items and Tax (6-7)</b>			<b>(1,06,94,998)</b>		<b>(1,58,46,511)</b>
9 Extraordinary Items			-		-
<b>10 Profit / (Loss) before tax (8 + 9)</b>			<b>(1,06,94,998)</b>		<b>(1,58,46,511)</b>
<b>11 Tax expense:</b>					
(a) Current tax expense for current year			-		-
(b) (Less): MAT credit (where applicable)			-		-
(c) (Less): Current tax expense relating to prior years			-		-
(d) Net current tax expense			-		-
(e) Add: Deferred tax	23.1		(29,98,921)		30,71,337
			-		-
<b>12 Profit / (Loss) for the year (10 + 11)</b>			<b>(1,36,93,919)</b>		<b>(1,89,17,848)</b>
<b>13 Earnings per share (of ` 10/- each):</b>					
(a) Basic	22.2.a		(3.18)		(4.39)
(b) Diluted	22.2.b		(3.18)		(4.39)

See accompanying notes forming part of the financial statements

In accordance of our report of even date.

For, K. J. Shah & Co.

Chartered Accountants

Firm Reg. No.: 132369W

Kamlesh J. Shah

Proprietor

Membership No.: 042390

Place : Vadodara

Date : 31/08/2017



For and on behalf of the Board of Directors

For ADITYA FORGE LTD. For ADITYA FORGE LTD.

Director

Director

Director

Director

Place : Vadodara

Date : 31/08/2017

**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of shares	₹	No. of shares	₹
<b>Note 3 Share capital :</b>				
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	60,00,000	<u>6,00,00,000</u>	60,00,000	<u>6,00,00,000</u>
(b) Issued , Subscribed & Fully paid up				
Equity shares of ₹ 10 each with voting rights	43,08,600	4,30,86,000	43,08,600	4,30,86,000
<b>Refer Notes as below;</b>				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
At the beginning of the reporting period	43,08,600	4,30,86,000	43,08,600	4,30,86,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	43,08,600	<u>4,30,86,000</u>	43,08,600	<u>4,30,86,000</u>
<b>Total</b>		<u><b>4,30,86,000</b></u>		<u><b>4,30,86,000</b></u>
(ii) Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
(a) Nitin Parekh	11,20,400	1,12,04,000	11,20,400	1,12,04,000



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
<b>Note 4 Reserves and surplus :</b>		
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(11,34,96,711)	(9,45,78,863)
Add: Profit / (Loss) for the year	(1,36,93,919)	(1,89,17,848)
Amounts allocated / transferred from / to:	-	-
<b>Closing balance</b>	<b>(12,71,90,629)</b>	<b>(11,34,96,711)</b>
<b>Note 5 Long-term borrowings :</b>		
(a) Term loans		
From banks		
Secured	8,02,95,476	8,33,45,476
Unsecured	-	-
	<u>8,02,95,476</u>	<u>8,33,45,476</u>
From other parties		
Secured	-	-
Unsecured	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>8,02,95,476</u></b>	<b><u>8,33,45,476</u></b>

**Refer Notes:**

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment	Security Provided	As at 31 March, 2017 Secured ₹	As at 31 March, 2016 Secured ₹
<b>Term loans from banks:</b>				
Madhavpura Mercantile Co-op Bank Ltd (Equipment Finance)*	As per Original Sanction :Monthly Repayment	Secured against Hypothecation of Plant and Machinery	2,05,95,112	2,09,60,255
Madhavpura Mercantile Co-op Bank Ltd(Term Loan)*	As per Original Sanction :Monthly Repayment	Secured against Hypothecation of Plant and Machinery	3,07,12,173	3,19,29,316
Madhavpura Mercantile Co-op Bank Ltd (CC)* * As per note below		First exclusive charge on the entire Current Assets for the Company	2,89,88,191	3,04,55,905
* Since, March 2001 the bank is not functioning and the proposal of OTS is under discussion. Hence, in the uncertain circumstances the amount is treated as long term liability irrespective whether it is Equipment loan or Cash Credit. MMCBL has proposed a scheme of OTS. In response to the same payment of Rs. 32,50,000/-has been made towards the OTS Scheme as 5% of OTS amount.				
			<u>8,02,95,476</u>	<u>8,33,45,476</u>

(ii) Details of long-term borrowings guaranteed by some of the directors or others:



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<b>Note 6 Short-term borrowings :</b>		
(a) Loans and advances from related parties		
Secured	-	-
Unsecured (from Directors)	72,87,300	4,02,323
(b) From bank		
Secured	-	-
Unsecured	-	-
<b>Total</b>	<b><u>72,87,300</u></b>	<b><u>4,02,323</u></b>
Refer Notes (i) & (ii)		
<b>Note 7 Trade payables :</b>		
Trade payables:		
Acceptances	3,40,90,632	1,88,01,664
Other than Acceptances	-	-
<b>Total</b>	<b><u>3,40,90,632</u></b>	<b><u>1,88,01,664</u></b>
<b>Note 8 Other current liabilities :</b>		
(a) Other payables		
(i) Statutory remittances (Contributions to PF & ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	93,14,776	69,58,806
(ii) Advances from Customers	1,54,51,709	3,52,65,677
(iii) Other Current Liabilities	25327	25327
<b>Total</b>	<b><u>2,47,91,812</u></b>	<b><u>4,22,49,810</u></b>
<b>Note 9 Short-term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for Salary & Wages	15,70,828	6,31,931
	<u>15,70,828</u>	<u>6,31,931</u>
(b) Provision - Others:		
(i) Provision for Current tax	-	-
(ii) Provision for expenses	30,594	-
(iii) Director remuneration	20,16,780	19,87,103
(iv) Auditor remuneration	1,36,349	1,36,349
	<u>21,83,723</u>	<u>21,23,452</u>
<b>Total</b>	<b><u>37,54,551</u></b>	<b><u>27,55,383</u></b>





**Aditya Forge Limited**  
Notes forming part of the Financial Statements

**Note 6 Short Term Borrowings: Cont...**

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<u>(i) Loans and advances from related parties:</u>			
Nitin Rasiklal Parekh	Unsecured	5,57,524	-1,61,417
Rekhaben Parekh	Unsecured	-	-
Nitin Rasiklal Parekh (HUF)	Unsecured	30,50,000	50,000
Sangita Adhvaryu	Unsecured	-	5,13,740
Purshotamdash Parikh	Unsecured	25,00,000	
Aditya nitin parekh	Unsecured	12,980	
Harilal & Sons	Unsecured	6,50,000	
Total - Loans and advances from related parties		<u>67,70,504</u>	<u>4,02,323</u>

(ii) Details of short-term borrowings guaranteed by some of the directors or others:

a. Loans repayable on demand from banks

The Loan mentioned at Notes 6 (i) is Unsecured and having no back up guarante. The Details of the same are as per above notes (i).

✍ The disclosure about the nature of security should cover the type of asset given as security e.g. inventories, plant and machinery, land and building, etc. The details of security should be given for each loan separately, unless one security is given for multiple loans, in which case, the same may be clubbed together for disclosure purposes with adequate details or cross referencind.



Notes forming part of the Financial Statements  
Note 10 :

A. Schedule of Tangible Assets :

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-4-2016	Additions ₹	Ded. / Adj. ₹	As at 31/03/2017	As at 1-4-2016	Additions ₹	Deduction ₹	As at 31/03/2017	31/03/2017 ₹	31-03-2016 ₹
<b>(i) Tangible Assets :</b>										
Land	30,90,144	-	-	30,90,144	-	-	-	-	30,90,144	30,90,144
Building	2,85,05,127	-	-	2,85,05,127	1,75,35,560	12,08,220	-	1,87,43,780	97,61,347	1,09,69,567
Furniture & Fixture	18,41,609	-	-	18,41,609	14,46,809	1,88,908	-	16,35,717	2,05,892	3,94,800
Electrical Installation	74,34,188	-	-	74,34,188	66,08,250	2,14,573	-	68,22,823	6,11,365	8,25,938
Office Equipments	21,08,819	-	-	21,08,819	19,90,911	11,441	-	20,02,352	1,06,467	1,17,908
Computer & Software*	16,40,328	-	-	16,40,328	16,36,228	-	-	16,36,228	4,100	4,100
Vehicles	14,17,138	-	-	14,17,138	12,33,664	36,396	-	12,70,060	1,47,078	1,83,474
Dies & Jigs	3,20,66,722	7,38,240	9,34,900	3,18,70,062	1,94,82,716	36,11,208	4,55,676	2,26,38,249	92,31,813	1,25,84,006
Lab & Quality Control Equipment	13,39,127	-	-	13,39,127	6,62,477	3,34,853	-	9,97,330	3,41,797	6,76,650
Plant & Machinery	7,45,58,023	3,78,874	1,72,27,027	5,77,09,870	5,74,53,878	47,18,965	1,34,25,935	4,87,46,908	89,62,962	1,71,04,145
<b>Total</b>	<b>15,40,01,225</b>	<b>11,17,114</b>	<b>1,81,61,927</b>	<b>13,69,56,412</b>	<b>10,80,50,493</b>	<b>1,03,24,565</b>	<b>1,38,81,611</b>	<b>10,44,93,447</b>	<b>3,24,62,965</b>	<b>4,59,50,732</b>
<b>Previous Year</b>	<b>15,39,26,822</b>	<b>3,30,375</b>	<b>2,55,972</b>	<b>15,40,01,225</b>	<b>9,73,92,227</b>	<b>1,09,07,906</b>	<b>2,49,640</b>	<b>10,80,50,493</b>	<b>5,65,34,595</b>	



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<b>Note 11 Current Investments</b>		
(a) Madhavpura Mercantile Co-op Bank Ltd. (16,250 shares @ Rs.100 each)	16,25,000	16,25,000
(b) Baroda City Co-op Banl Ltd (660 shares @ Rs.10 each)	6,600	6,600
<b>Total</b>	<u>16,31,600</u>	<u>16,31,600</u>
<b>Note 12 Inventories :</b> (As certified by the Management) (Valued at cost)		
(a) Finished Goods	15,10,339	1,04,57,237
(b) Scrap	51,480	-
(c) Consumables	1,75,960	-
(d) Raw Material	-	-
(e) Work In Progress	6,07,104	-
<b>Total</b>	<u>23,44,883</u>	<u>1,04,57,237</u>
<b>Note 13 Trade Receivables :</b>		
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
Secured, considered good	-	-
Unsecured, considered good	27,33,922	14,31,306
Doubtful	-	-
	<u>27,33,922</u>	<u>14,31,306</u>
Less: Provision for doubtful trade receivables	-	-
	<u>27,33,922</u>	<u>14,31,306</u>
(ii) Other Trade receivables :		
Secured, considered good	-	-
Unsecured, considered good	1,05,94,301	17,43,971
Doubtful	-	-
	<u>1,05,94,301</u>	<u>17,43,971</u>
Less: Provision for doubtful trade receivables	-	-
	<u>1,05,94,301</u>	<u>17,43,971</u>
<b>Total</b>	<u>1,33,28,223</u>	<u>31,75,277</u>
<b>Note:</b>		
(i) Trade receivables include debts due from:		
Directors	N.A.	N.A.
Other officers of the Company	N.A.	N.A.
Firms in which any director is a partner	N.A.	N.A.
Private companies in which any director is a director or member:	N.A.	N.A.
<b>Note 14 Cash and cash equivalents :</b>		
(a) Cash on hand	8,61,518	6,26,767
(b) Balances with banks		
(i) In current accounts	1,48,543	-1,69,276
<b>Total</b>	<u>10,10,061</u>	<u>4,57,491</u>



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<b>Note 15 Short-term loans and advances :</b>		
(a) Security deposits		
Unsecured, considered good	15,00,967	15,00,967
Doubtful	-	-
	<u>15,00,967</u>	<u>15,00,967</u>
Less: Provision for doubtful deposits	-	-
	<u>15,00,967</u>	<u>15,00,967</u>
(b) Advances to Suppliers		
Unsecured, considered good	43,70,999	72,11,132
Doubtful	-	-
	<u>43,70,999</u>	<u>72,11,132</u>
Less: Provision for doubtful loans and advances	-	-
	<u>43,70,999</u>	<u>72,11,132</u>
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT Receivable	35,63,402	5,70,150
(ii) VAT Receivable	7,59,349	-
(iii) Service Tax Credit Receivable	6,09,011	5,40,617
(iv) MAT Deposit Receivable	7,42,769	7,42,769
(v) TDS Receivable	13,09,296	20,43,100
(vi) Advance Income Tax	8,80,548	-
(vii) Income Tax Refund	1,30,457	1,30,457
	<u>79,94,832</u>	<u>40,27,093</u>
(d) Prepaid expenses		
Advance Expenses Paid	986	41,964
	<u>986</u>	<u>41,964</u>
(e) Other advances		
Secured, considered good	-	-
Unsecured, considered good	11,60,568	4,81,600
MEIS Receivable	11,08,287	-
	<u>22,68,855</u>	<u>4,81,600</u>
Less: Provision for other doubtful loans and advances	-	-
	<u>22,68,855</u>	<u>4,81,600</u>
<b>Total</b>	<u><b>1,61,36,639</b></u>	<u><b>1,32,62,756</b></u>
<b>Note:</b>		
(i) Short-term loans and advances include amounts due from:		
Directors	N.A	N.A
Other officers of the Company	N.A	N.A
Firms in which any director is a partner	N.A	N.A
Private companies in which any director is a director or member	N.A	N.A
<b>15a Other current Assets</b>		
(a) The company has opted for OTS scheme of MMCBL. The company paid @ 5% of OTS amount	32,50,000	32,50,000
(b) Interest receivable	94,665	1,03,826
<b>Total</b>	<u><b>33,44,665</b></u>	<u><b>33,53,826</b></u>



**Aditya Forge Limited**

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<b>Note 16 Contingent Liabilities :</b>		
(b) Income tax demand outstanding for the Financial Year 2010-11, for which the company has filed an appeal.	-	77,51,550
(b) Income tax demand outstanding for the Financial Year 2011-12, for which the company has filed an appeal.	-	17,50,510
(b) Excise demand outstanding for the Financial Year 2013-14 for which the company has filed an appeal.	36,10,204	36,10,204
<b>Total</b>	<b><u>36,10,204</u></b>	<b><u>1,31,12,264</u></b>



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
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**Note 17 Revenue from operations :**

(a) Sale of products @ (Refer Note (i) below)	12,25,46,470	6,77,28,692
(b) Sale of services @ (Refer Note (ii) below)	1,43,04,129	99,71,338
(C) Others @ (Refer Note (iii) below)	34,04,744	10,21,793
<b>Total</b>	<b><u>14,02,55,343</u></b>	<b><u>7,87,21,823</u></b>

**Notes:**

(i) Sale of products comprises :		
(As per Note 21 Additional Information to Financial Statements)		
(a) Domestic Sales	8,05,35,859	
(b) Export Sales	4,20,10,611	
(ii) Sale of Services comprises :		
(a) Jobwork Income	1,43,04,129	99,71,338
(iii) Other Income from Operation	34,04,744	10,21,793

**Note 18 Other income :**

(a) Interest income (Refer Note (i) below)	1,05,183	1,15,362
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	32,99,561	2,43,668
<b>Total</b>	<b><u>34,04,744</u></b>	<b><u>3,59,030</u></b>

**Notes:**

(i) Interest income comprises:		
Other interest	1,05,183	1,15,362
<b>Total</b>	<b><u>1,05,183</u></b>	<b><u>1,15,362</u></b>
(ii) Other Income	14,51,374	
(iii) Profit on sale of assets	18,48,187	2,43,668
<b>Total</b>	<b><u>32,99,561</u></b>	<b><u>2,43,668</u></b>



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
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**Note 19.a Cost of materials consumed :**

Opening stock	-	-
Add: Purchases	10,20,94,039	7,09,76,566
	<u>10,20,94,039</u>	<u>7,09,76,566</u>
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b><u>10,20,94,039</u></b>	<b><u>7,09,76,566</u></b>

Material consumed comprises:(Under Broad Head) :  
(As per Note 21 Additional information to Financial Statements)

**Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade :**

Inventories at the end of the year:

Finished goods	15,10,339	1,04,57,237
Scrap	51,480	-
Consumables	1,75,960	-
Work in progress	6,07,104	-
	<u>23,44,883</u>	<u>1,04,57,237</u>

Inventories at the beginning of the year:

Finished goods	1,04,57,237	28,50,755
Scrap	-	-
Consumables	-	-
Raw Marerials	-	-
Work in progress	-	-
	<u>1,04,57,237</u>	<u>28,50,755</u>

**Net (increase) / decrease** **81,12,354** **(76,06,482)**

**Note 20 Employee benefits expense :**

Salaries,wages & Bonus	14603815	10352133
Contributions to provident and other funds	306620	63858
Staff welfare expenses	80404	2331
<b>Total</b>	<b><u>1,49,90,839</u></b>	<b><u>1,04,18,322</u></b>

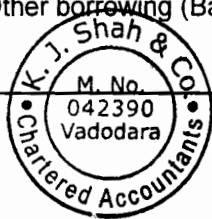
**Note 21 Finance Cost :**

(a) Interest expense on:

(i) Borrowings MNCB	-	-
(ii) Others		
- Bank Charges & Commission	96,096	-
- Interest on VAT	-	4,613
- LC Discount & Charges	1,22,340	-
- Foreign currency - Bank Charges	23,175	-
- Others	645	12,988

(b) Other borrowing (Bank Charges & Commission) costs

	-	32,688
<b>Total</b>	<b><u>2,42,256</u></b>	<b><u>50,289</u></b>



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	₹	₹
<b>Note 22 Other expenses :</b>		
Administrative Exps.	29,93,244	28,06,428
Selling & Distribution Exps.	34,71,610	44,671
Manufacturing & Others	21,53,320	7,68,774
Directors Remuneration	4,00,000	10,20,000
Electricity Charges	46,88,642	53,87,077
Rates & Taxes	12,86,766	
Misc. Exps	1,31,167	1,53,813
Service Tax	21,867	
Foreign Exchange Exp	39,672	-
<b>Total</b>	<b>1,51,86,288</b>	<b>1,01,80,763</b>





**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Note	Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
<b>Note 23 Disclosures under Accounting Standards :</b>			
<b>23.1</b>	<b>Deferred tax (liability) / asset :</b>	(11,44,973)	19,26,364
	<u>Tax effect of items constituting deferred tax liability :</u>		
	On difference between book balance and tax balance of fixed assets	97,05,246	99,39,603
	Tax effect of items constituting deferred tax liability	29,98,921	30,71,337
	<u>Tax effect of items constituting deferred tax assets :</u>		
	On difference between book balance and tax balance of fixed assets		-
	Tax effect of items constituting deferred tax assets		-
	<b>Net deferred tax (liability) / asset</b>	<b>-41,43,894</b>	<b>(11,44,973)</b>
	The Company has recognised deferred tax asset on depreciation to the extent of the difference between the book balance and the written down value of fixed assets under Income Tax.		
<b>23.2</b>	<b>Earnings per share :</b>		
23.2.a	<b>Basic</b>		
	Net profit / (loss) for the year	(1,36,93,919)	(1,89,17,848)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	(1,36,93,919)	(1,89,17,848)
	Weighted average number of equity shares	43,08,600	43,08,600
	Par value per share	10	10
	Earnings per share - Basic	<b>(3.18)</b>	<b>(4.39)</b>
23.2.b	<b>Diluted</b>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.(to the		
	Net profit / (loss) for the year	(1,36,93,919)	(1,89,17,848)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	(1,36,93,919)	(1,89,17,848)
	Add: Interest exp. and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders (on dilution)	(1,36,93,919)	(1,89,17,848)
	Weighted average number of equity shares for Basic EPS	43,08,600	43,08,600
	Add: Effect of warrants, ESOPs & Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	43,08,600	43,08,600
	Par value per share	10	10
	Earnings per share - Diluted	<b>(3.18)</b>	<b>(4.39)</b>



**Aditya Forge Limited**  
Notes forming part of the Financial Statements

Note	Particulars
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**Note 23 Disclosures under Accounting Standards (contd.)**

**23.3.a Related party transactions**

**Details of related parties:**

<u>Description of relationship</u>	
Key Management Personnel (KMP)	1. Nitin Parekh
Company / Firm in which KMP / Relatives of KMP can exercise significant influence	1. Aditya Exim Ltd. 2. Harilal & Sons 3. Delta Stainless Pvt. Ltd. 4. Nitin Parekh (HUF)

Note: Related parties have been identified by the Management.

**23.3.b Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2017:**

	For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
<b>Purchase of goods/Consumables/Capital goods</b>		
1. Harilal & Sons	76,268	28,472
3. Aditya Exim Ltd.	6,75,46,292	1615420*
<b>Sale of goods</b>		
1. Delta Stainless Pvt. Ltd.	-	4,67,200
2. Aditya Exim Ltd.	7,06,91,150	-
<b>Receiving of services</b>		
1. Remuneration Paid to Nitin Parekh	9,00,000	10,80,000
2. Labour charges paid to Delta Stainless Pvt. Ltd.	-	10,75,151
<b>Rendering of services</b>		
1. Aditya Exim Ltd	-	39,37,311
<b><u>Balances outstanding at the end of the year</u></b>		
<b>Trade receivables</b>		
1. Harilal & Sons	-	13,846
2. Aditya Exim Ltd.	-	-
3. Delta Stainless Pvt. Ltd.	38,11,266	26,54,432
<b>Trade payables</b>		
1. Delta Stainless Pvt. Ltd.	-	-
2. Aditya Exim Ltd.	3,43,42,173	1,55,08,644
3. Harilal & Sons	62,422	-
<b>Borrowings</b>		
1. Nitin Parekh	1,61,417	-1,61,417
2. Rekha Parekh	-	-
3. Nitin Parekh (HUF)	50,000	50,000

\* figures are net of tax



## **Note 24: Additional Information to Financial Statements**

### **1 Corporate Information**

Aditya Forge Limited is a listed Limited Company engaged in the business of Manufacturing and Trading of Forged Flanges and ancillary items.

### **2 Statement of Significant Accounting Policies**

#### **2.1 Basis of Preparation**

The Financial statements of the Company have been prepared to comply in all material respects with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting standards notified under the relevant provisions of the Companies Act, 2013.

The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year

#### **2.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized

#### **2.3 Fixed assets**

Fixed assets are stated at Cost less accumulated depreciation, if any. Cost comprises purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.



#### **2.4 Method of Depreciation**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value by following (WDV) Method without giving retrospective effect. The company followed Straight Line Method for charging depreciation in the earlier years till inception of Companies Act 2013. Depreciation is provided based on the useful life of the assets as prescribed in the Schedule II to the Companies Act, 2013.

#### **2.5 Reorganization of Current Assets/Liabilities**

The company has not called for confirmation from Debtors, Creditors, Loans, Advances, Banks and Deposits. The management has however scrutinized the accounts and has confirmed that those are current and are recoverable and / or payable

#### **2.6 Unsecured Loans**

It comprises of Business Loans taken from Directors and their relatives. During the year these loans were taken as per the guidelines of the Companies Act, 2013. The said loans are as such not secured hence the same are shown under the head Unsecured Loans

#### **2.7 Revenue Recognition**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

#### **2.8 Retirement and other Employee benefits**

- a. Retirement Benefits in the form of Provident Fund are charged to the profit and loss account of the period when the contributions to the respective funds are due and thereafter the same are deposited under the scheme framed under the Employees Provident Fund and Misc. Provision Act, 1952. There are no obligations other than contribution payable to the respective fund.
- b. Gratuity- the company follows cash system of accounting of gratuity and leave encashment and has not obtained actuarial valuation of the present value of gratuity liability & unutilized leave benefit. Hence Liability for the same is not quantified and provided for.



## 2.9 Income Taxes

- (i) Income Tax: Tax expenses comprise of Current Tax and Deferred Tax. In view of Losses during the Tax liabilities and/or MAT shall be NIL. In view of the same neither Current Tax is provided nor MAT is provided while appropriating tax liabilities.
- (ii) Deferred Taxes : As per the requirements of the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Asset is created for the excess amount to be deferred. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years, if any. Deferred Tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

## 2.10 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past events and its probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present values and are determined based on best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## 2.11 Contingent Liabilities

Contingent Liabilities are disclosed unless the possibility of outflow of resources is remote. The Income Tax demand is of very recent one. The Company had preferred an Appeal before Commissioner of Income Tax (Appeal-I), Baroda for Asst Year 2011-12 which was allowed. Against the said order Income Tax department has preferred an appeal before Income Tax Appellate Tribunal, Ahmedabad. The company is



very sanguine about the results thereof in their favor.

Further the Company has preferred an Appeal before Commissioner of Income Tax (Appeal-I), Baroda for Asst Year 2012-13 & 2013-14 The company is very sanguine about the results thereof in their favor and the same are not recognized but is worked out and disclosed in the financial statements

We have been informed by the management that, their banker namely Madhavpura Mercantile Co-operative Bank Ltd. has gone into liquidation. The MNCB Ltd had offered the settlement under OTS for an amount of Rs.4.75 Crores (against outstanding of the Term Loan facility amounting to Rs. 4.19 Cr. and Cash Credit facility of Rs. 2.22 Cr.) The matter is under re-consideration by the bank. The management has provided for interest based on communication from Bank dated 04/01/2012. Based on legal opinions taken by the Company's Lr. Solicitors the Company believes that it has good cases in respect of the settlement of account under OTS offered in 2008-2009. To the extent of un-provided interest the Losses are under stated. The portion of un-provided interest Liability shall stand as contingent liability. The company has made payment of Rs. 3,65,143/- towards equipment loan, Rs. 12,17,143/- towards Term Loan and Rs. 14,67,714/- towards Cash Credit in the Current Financial Year 2016-17.

## **2.12 Cash and Cash Equivalents**

Cash and Cash Equivalent comprises of Cash on hand, Cash at Bank and Cheques in Hand.

## **2.13 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Micro, Small & Medium Enterprise on Terms & Section 22 of the Micro, Small and Medium enterprise development Act, 2006 have been determined to the existing parties have been identified on the basis of information available with the company and relied upon by the auditors, the company has not received information from the suppliers regarding the status under the Micro, Small and Medium Enterprise Development Act 2006 and hence Disclosure if any relating to amount



unpaid as the year and together with interest payable as required under the said act hence not been given

#### **2.14 Other Disclosures**

- (i) The accounts have been prepared on "Going concern Concept". Since, the company does not have intention to suspend the operational activities.
- (ii) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications and/or disclosures.
- (iii) All Debit & Credit balances of Creditors/Suppliers are subject to confirmations & reconciliation. As reported by the directors, the entire amount has been confirmed as payable in case of Creditors/Suppliers.
- (iv) In respect of statutory dues it is explained by the management that the Company has become sick and is having scarcity of funds and hence payments could not be made towards statutory dues which are due for more than six months.

#### **2.15 Accounting Standard Compliance**

AS1 Disclosure of Accounting Policies: The company is following Accrual basis of accounting on a going concern concept and the policies applied are consistent with those applied in the previous year.

Inventories comprising of Raw Material, Stores & Spares and Semi-finished goods are stated at cost (arrived at on the first in first out method with the inclusion of appropriate manufacturing overheads where applicable) or net realizable value whichever is less. Finished Goods are valued at cost or market value whichever is lower

Cash Flow Statement: Cash Flow Statement have been prepared by following Indirect Method.

Contingencies and Event Occurring after the Balance Sheet Date;

No contingencies and event of material affect have occurred after the Balance Sheet date that affects the financial position of the company

Prior period item and changes in Accounting Principles:



There are no prior period items in the current year's statement of Profit & Loss. The accounting principles are also consistently followed and no changes have been made

Related parties Disclosure. Disclosure is made as prescribed by the ICAI

Earnings per share: Earnings per share has been calculated by dividing the net profit/loss for the period attributable to equity shareholders by . weighted average number of equity shares outstanding on last day of the year in consideration.

Interim Financial Reporting: Quarterly financial results are published in accordance with the requirement of Listing Agreement with stock exchange.

Impairment of Assets: On the Balance sheet date the carrying amount of the assets net of accumulated depreciation is not less the recoverable amount, hence there is no impairment loss for the company in year under consideration.

**Note 25-Disclosure on Specified bank Notes:**

Particulars	Specified Bank Notes (Rs. 500 and Rs. 1000)	Other denomination Notes	Total
Closing cash in hand as on November 08, 2016	43,000	5,02,114	5,45,114
(+) Permitted receipts	-	5,27,000	5,27,000
(-) Permitted payments	-	85,148	85,148
(-) Amount deposited in banks	43,000	-	43,000
Closing cash in hand as on December 30, 2016	-	9,43,966	9,43,966





**Note 26 Additional information to financial statements**

Sale of Product Comprises: (Under Broad Head)

Manufactured Goods:

Finished Goods	₹	2016-17	2015-16
Flanges	708.83	78.19%	100%
Fittings	236.46	21.81%	NIL
Total	1084.35	100%	100%

Consumption of Raw material Imported & Indigenous:  
(Under Broad Head):

Imported Raw Material

Raw Material	2016-17		2015-16
	₹	%	%
Rough Forgings	0	0%	100%
Pipes& Pipe Fittings	86.89	100%	0%
Total	86.89	100%	100%

Indigenous Goods:

Raw Material	2016-17		2015-16
	₹	%	%
Rough Forgings	759.87	97.94%	100%
Pipes& Pipe Fittings	16.02	2.06%	0%
Total	775.89	100%	100%

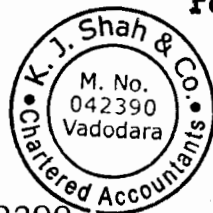
1. Foreign Currency Transaction:

		2016-17	2015-16
(a)	C.I.F. Value of imports	82,21,360	NIL
(b)	Expenditure in Foreign Currency	NIL	NIL
(c)	FOB Value of Exports	4,03,67,445	NIL
(d)	Amount remitted during the year in Foreign currency in respect of dividend	NIL	NIL

**Notes forming Part of Financial Statements 1 to 26**

For, K J Shah & Co.,  
Chartered Accountants  
FRNo.132369W

(Kamlesh J Shah)  
Proprietor  
Membership No.42390



For ADITYA FORGE LIMITED

For ADITYA FORGE LTD. For ADITYA FORGE LTD.

(Director)

(Director)

Place: Vadodara  
Date: 31<sup>st</sup> August 2017.

**Aditya Forge Limited**  
Cash Flow Statement prepared pursuant to clause 32 of listing agreement  
for the year ended as on 31st March, 2017

Particulars	2016-17 (₹)	2015-16 (₹)
<b>A) Cash Flow from Operating Activities:</b>		
Profit / (Loss) for the year before Tax	(1,06,94,998)	(1,58,46,511)
<i>Adjustments for;</i>		
Add : Net Increase and Decrease in Accumulated Depreciation	1,03,24,565	1,09,07,906
Interest Paid (Net)	2,42,256	50,289
Miscellaneous Expd. W-off ( Incl Deffered Revenue Expd.)	-	-
Less : Tax Adjustments For Prior Year/FBT/DTL	-	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(1,28,177)</b>	<b>(48,88,316)</b>
<i>Adjustments for;</i>		
Add : Decrease in Sundry Debtors	(1,01,52,946)	22,89,092
Add : Increase in Current Liabilites	(11,69,862)	1,67,53,059
Add : Decrease in Loans and Advances	-	-
Add : Decrease in Inventory	-	-
Less : Decrease in Current Liabilites	-	-
Less : Increase in Loans and Advances	28,64,722	43,51,441
Less : Increase in Inventory	(81,12,354)	76,06,482
Less : Increase in Sundry Debtors	-	-
<b>Cash Generated from Operations.</b>	<b>(60,75,176)</b>	<b>70,84,228</b>
Less : Interest Paid	2,42,256	50,289
<b>Cash flow before extraordinary item</b>	<b>(64,45,609)</b>	<b>21,45,623</b>
<b>Net Cash Generated from (used) in Operating Activities (A)</b>	<b>(64,45,609)</b>	<b>21,45,623</b>
<b>B) Cash Flow from Investing Activities:</b>		
Less : Purchase or Investment in Fixed Assets ( Net )	(36,18,873)	3,24,048
Add : Reduction in Advance against Capital Goods	-	-
Less : Increase in Advance against Capital Goods	-	-
<b>Net cash used in investing activities (B)</b>	<b>36,18,873</b>	<b>(3,24,048)</b>
<b>C) Cash Flow from Financial Activities:</b>		
Add: Proceeds from Long term borrowings	-	-
Less : Repayment of long term borrowings	-	-
Less : Repayment of Short term borrowings	(68,84,977)	28,08,054
<b>Net Cash Generated ( Used ) in Financing Activities (C)</b>	<b>68,84,977</b>	<b>(28,08,054)</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>40,58,241</b>	<b>(9,86,479)</b>
Cash and Cash Equivalents at the Beginning of the Period	<b>4,57,560</b>	<b>14,44,039</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>45,15,801</b>	<b>4,57,560</b>

\* Note : Last year comparative figure are derived from the last years Audited Cash Flow Statement.

**AUDITOR'S CERTIFICATE**

The above Cash Flow Statement has been compiled from and is based on the audited accounts of **ADITYA FORGE LIMITED** for the year ended **31<sup>st</sup> March 2014**. According to the informations and explanations given the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of the Listing Agreements with the Stock Exchanges and the reallocations required for the purpose are as made by the Company.

Place: Vadodara  
Date : 31/08/2017

For, K. J. Shah & Co.  
Chartered Accountants  
Firm Reg. No.: 132369W

Kamlesh J. Shah  
Proprietor  
Membership No.: 042390



**BOOK POST**

To,

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*If undelivered please return to:*

ADITYA FORGE LTD  
415, G.I.D.C.,  
RAMANGAMDI, POR - 391 243,  
DIST.BARODA