

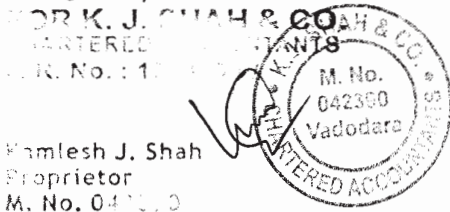


Form B

(Pursuant to Clause 31 (a) of Listing Agreement)

No.	Particulars	Details																		
1.	Name Of the Company	Aditya Forge Limited																		
2.	Annual Standalone Financial Statements for the year ended	31 st March 2014																		
3.	Type of Audit Qualification	<p>Point No.9(b) of Annexure to Independent Auditors' Report</p> <p>According to the records of the Company, there are no dues of Sales tax, Customs duty, Wealth tax, service tax and cess that have not been deposited on amount of any dispute. There were disputed statutory dues of the company that have not been deposited on account of matters pending before appropriate authorities. The same are as below:</p> <table><tr><th>Sr. No.</th><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount (Rs.in Lakhs)</th><th>Period to which the amount relates</th><th>Forum where</th></tr><tr><td>1.</td><td>Income Tax</td><td>Tax & Interest</td><td>10,59,470/-</td><td>F. Y. 2009-10</td><td>CIT (A)</td></tr><tr><td>2.</td><td>Income Tax</td><td>Tax & Interest</td><td>77,51,550/-</td><td>F. Y. 2010-11</td><td>CIT (A)</td></tr></table>	Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where	1.	Income Tax	Tax & Interest	10,59,470/-	F. Y. 2009-10	CIT (A)	2.	Income Tax	Tax & Interest	77,51,550/-	F. Y. 2010-11	CIT (A)
Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where															
1.	Income Tax	Tax & Interest	10,59,470/-	F. Y. 2009-10	CIT (A)															
2.	Income Tax	Tax & Interest	77,51,550/-	F. Y. 2010-11	CIT (A)															
		<p>Point No.10 of Annexure to Independent Auditors' Report</p> <p>There are accumulated losses of Rs.483.76/-Lacs [Previous Year Rs.454.78/-Lacs] of the Company at the end of the financial year. There are no cash losses during the financial year. In the current year company's Net-Worth has exceeded Accumulated Losses. The Company has become Sick Industrial Company within the meaning of Sick Industrial Company (Special Provisions) Act, 1985 as the accumulated losses were more than net worth of the Company. A reference to BIFR is recommended by the Board.</p>																		
		<p>Point No.11 of Annexure to Independent Auditors' Report</p> <p>The company is not making payments to the Madhavpura Mercantile Co-op Bank Limited (MMCB). The bank has filed a case against the company in the Court of Board of Nominees. The company has provided for Interest of Rs.1,92,11,140/- to arrive at the figure for which case is filed by the Bank with the Court of Board of Nominees as per the Notice No.MMCB/H0/44/229/2011-12 dated 4th January, 2012 issued to the company by MMCB. Interest from the date of decree on the outstanding amount of the suit is yet to be charged to the Profit and loss account. The Company had shown their willingness to settle the account as per OTS offered to them by the Bank (MMCB)</p>																		

		vide their letter No. MMCB/ SHB/ 43/1 0/ 11Dated10/06/2010. The request of Company is pending.
4.	Frequency of Qualification	Second year
5.	Draw Attention to the relevant notes in the annual financial statements and management response to the reservation in the Director's report:	<p>Point No. 9 (b) Since the Demands by the Income Tax Department is not valid the same is Challenged before Commissioner of IT (Appeal) Baroda. Your management is confident that the appeal shall be decided in Company's favor and the dues shall be deleted.</p> <p>Point No. 10 Your management is preparing application for a reference to the BIFR. The same is expected to be filed within near future</p> <p>Point No.11 Your management has represented before the Liquidator of Madhavpura Mercantile Vo-operative Bank. Your management has filed OTS along with intention money amounting to Rs.32.5/-lacs. The OTS matter is under discussion.</p>
6.	Additional Comments from the Board or Audit Committee Chairman	Nil
7.	To be Signed By: <ul style="list-style-type: none"> Managing Director Chairman of Audit Committee Auditor of Company 	<p>  For, Aditya Forge Limited Director / Authorised Signatory </p> <p>  For, Aditya Forge Limited Director / Authorised Signatory </p> <p>  K. J. SHAH & CO. CHARTERED ACCOUNTANTS M. No. 042360 Vadodra Kamlesh J. Shah Proprietor M. No. 041010 </p>



ADITYA FORGE LIMITED

DIRECTORS

SHRI NITIN R. PAREKH	Chairman & Managing 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.,
RAMANGAMD, POR – 391 243,
DIST. BARODA.

FACTORY

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

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of September, 2014 at 10.00 a.m. at 415 GIDC, Ramangandi, Por , N H 8 ,Vadodara to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statement of the Company including Profit & Loss Account for the year ended 31st March, 2014, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Nitin Rasiklal Parekh, who retires by rotation and being eligible offers himself for re- appointment
3. To appoint a Director in place of Shri Subhash Bhagwandas Dalal, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint 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."

Place : Vadodara.

Date: 7th September, 2014

By Order of the Board,
For Aditya Forge Limited


Mr. Nitin Parekh
Managing Director

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. 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. The Register of Members and the Share Transfer books of the Company will remain closed from 25th September, 2014 to 28th September, 2014 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2014.
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
4. 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.
5. 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.
6. 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.
7. 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.

8. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority, as applicable.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and the Members holding shares in physical form can submit their PAN details to the Company.
10. Details under Clause 49 of the Listing Agreement (amended) with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

DIRECTORS' REPORT

Dear Members,

We are pleased to present the Twenty Second Annual Report of ADITYA FORGE LTD together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2014. The Financial Highlights for the year under review are given below:

(1) FINANCIAL AND WORKING RESULTS:

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
TOTAL INCOME	197869186	186763976
TOTAL EXPENSES	193593125	197791746
GROSS PROFIT/(LOSS) BEFORE DEPRECIATION	4276061	-11027770
(Less): Depreciation	7877531	7742796
PROFIT / (LOSS) BEFORE TAXATION	-3601470	-18770566
(Less): Provision for Deferred Tax	843847	620154
(Less): Provision for Fringe Benefit Tax	-	-
(Less): Tax Adjustments for prior year	-	-
NET PROFIT/(LOSS) AFTER TAX	-2757263	-18150412
EARNING PER SHARE		
Basic	-0.64	-4.21
Diluted	-0.64	-4.21

Previous years figures have been re-grouped wherever necessary

FINANCIAL PERFORMANCE :

During the year under review, your Company has recorded a turnover of Rs. 19.79 Crore as against Rs.18.68 Crore in the previous year. The Net loss (after tax and extra ordinary items) for the financial year ended 31st March 2014 is Rs.36.01 lacs as against Net Loss of Rs. 1.88 Crore in the previous year.

(2) DEPOSITS:

The Company has not accepted deposits from the public.

(3) DIVIDENDS:

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

(4) 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.

(5) 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.

(6) 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.

(7) DIRECTORATE:

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


(8) 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.

(9) 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
Managing Director

Place : Vadodara

Date : 07th September ,2014

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, 2014.

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>2013-2014</u>	<u>2012-2013</u>
1. Electricity:		
(a) Purchased:		
Units (HT Line)	150300	
Total Amount [Rs.]	5765435	5968556
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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31st MARCH, 2014**1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

It is evident that real onus of achieving the desired level of Corporate Governance, lies in the proactive initiatives taken to achieve desired results and not in the external measures like breadth and depth of a code or stringency of enforcement of norms.

2. BOARD OF DIRECTORS

The Board of Directors is having non-executive and independent directors as on 31st March, 2014. The Board of Directors is consisting of Three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors do not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Numbers of Board Meetings held and the dates on which such meetings were held: During the financial year 2013-14 the Board met 05 (Five) times on 30.04.2013, 26.07.2013, 25.08.2013, 29.11.2013, 18.02.2014. The maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2013-14

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attendance
		Held	Attended	
Shri Nitin R Parekh	Managing Director –Promoter	05	05	Yes
Shri Mahesh Nandani	Independent Director	05	05	Yes
Shri Subhash Dalal	Independent Director	05	05	Yes
Shri Vishnu Patel	Independent Director	05	05	Yes

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

3. AUDIT COMMITTEE

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.

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

Role/ Functions of the Committee:

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

Powers of the Committee:

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

Attendance at the Audit Committee Meetings- 2013-14

During the year under review, Audit committee meetings were held five times on 30.04.2013, 26.07.2013, 25.08.2013, 29.11.2013, 18.02.2014 under the Chairmanship of Shri Subhash Dalal, attendance of the members as under.

Name	Designation/ Category	No. of Meeting attended	
		Held	Attended
Shri Subhash Dalal	Independent Director	05	05
Shri Vishnubhai Patel	Independent Director	05	05
Shri Nitin R Parekh	Managing Director –Promoter	05	05

4. 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.

5. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

Investors' Grievance committee is headed by Mr. Mahesh Nandani, 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 rematerialization of shares, consolidation and division and incidental matters relating to shares.

6. GENERAL BODY MEETINGS:

Location and time for last 3 years Annual General Meetings:

Details of AGM	Location	Date & Time	No. of Special Resolution passed
Nineteenth	Regd. Office of the Company at 415, GIDC, Ramangamdi, N.H. No. 8, Por, dist. Vadodara	29/09/2011 At 12.00 Noon	NIL
Twentieth	-do-	30/09/2012	NIL
Twenty-first	-do-	30/09/2013	NIL

7. DISCLOSURES

- No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

8. MEANS OF COMMUNICATION

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

9. GENERAL SHAREHOLDERS INFORMATION

Financial Year	1st April, 2013 to 31st March, 2014.
Date and time of Annual General Meeting	29 th September, 2014, and 10 : 00 am
Venue of Annual General Meeting	415, GIDC, Ramangamdi, N.H. No. 8, Por, dist. Vadodara.
Dates of Book Closure	25 nd September, 2014 to 28 th September, 2014
Listing on Stock Exchange	BSE Limited, Mumbai
Stock Code and Scrip ID	522150(BSE) and ADTYFRG (BSE)
Demat ISIN No.	INE281H01013
Financial calendar	
Unaudited results for the quarter ending on 30th June, 2013	Mid August, 2014
Unaudited results for the quarter ending on 30th September, 2013	Mid November, 2014
Unaudited results for the quarter ending on 31st December, 2014	Mid February, 2015
Unaudited results for the quarter ending on 31st March, 2014	Mid May, 2015

10. CATEGORIES OF SHAREOWNERS AS ON 31-03-2014

Category	No. of Shares Held	Voting Strength (%)
Promoters	1488100	34.54
Resident Individuals	2404006	55.80
Financial Institutions/ Banks	--	--
Bodies Corporate	384182	8.92
NRIs/ OCBs	25300	0.59
Directors Relatives	--	--
Others	7012	0.15
Total	4308600	100.00

11. Registrar and share transfer Agent:**Sharepro Services India Pvt Ltd**416-420, 4th Floor, Devnandan Mall, Opp.Sanyas Ashtram,
Ashtram Road, Ellisbridge, Ahmedabad - 380 006.

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

12. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014:

Sl. No.	Category (Shares)	Holders	Shares	% to total shares
1	1-500	3354	865049	20.08
2	501-1000	425	378767	8.79
3	1001-2000	196	321865	7.47
4	2001-3000	62	160690	3.73
5	3001-4000	31	111556	2.59
6	4001-5000	46	223945	5.2
7	5001-10000	40	289711	6.73
8	10001-20000	17	234274	5.43
9	Above 20000	15	1722743	39.99
	TOTAL	4186	4308600	100.00

13. STOCK MARKET DATA

The monthly movement of Equity Share prices on BSE during the year is summarized below:

Month	Highest (Rs)	Lowest (Rs)
April, 2013	4.66	4.18
May, 2013	6.91	4.21
June, 2013	9.34	6.88
July, 2013	8.66	6.70
August, 2013	6.66	6.33
September, 2013	6.50	6.50
October, 2013	6.50	5.16
November, 2013	9.31	5.77
December, 2013	11.80	9.77
Jan, 2014	12.20	6.66
Feb., 2014	4.66	4.18
March, 2014	6.91	4.21

16. Address for communication:

Sharepro Services India Pvt Ltd
416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashtram, Ashtram Road, Ellisbridge, Ahmedabad - 380 006.


DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

In the above regards, I declare as follows:

1. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2014.
2. Due to unavoidable circumstances the e-voting will not take place on the Annual general meeting to be held on 30th September, 2014 but the resolution will be passed by poll.

Date : 7th September, 2014
Place: Vadodara

For Aditya Forge Limited,


Nitin Rasiklal Parekh
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Forging Industry has emerged as a major contributor to the manufacturing sector of the Indian Economy. The industry was previously more labour intensive, but now with increasing globalization it is becoming more capital intensive. The small scale units too are increasing their capital investment to keep pace with the increasing demand especially in the global markets as also broadening the areas of demand for forgings. Many of them are now suppliers to Original Equipment Manufacturers (OEMs) in the automobile sector also, which speaks volumes about efforts at technology and quality up gradation.

OPPORTUNITIES, OUTLOOK AND THREATS

The Board of Directors of the Company have been negotiating with the Madhavpura Mercantile Bank for One Time Settlement (OTS). Accordingly, acceptance, in principle is conveyed to the Bank for repayment of dues.

In order to bail out, the Company from its financial ill health, promoters have consented to pump in funds up to Rs. 6 Crore. This would help the Company to improve its financial position.

The future looks encouraging for the forging industry in terms of the expected surge in global demand. As a result of liberalization, more MNCs have entered the domestic automobile market. This has opened up more business opportunities for the forging industry. Our products, being major components of Auto industries, your Directors are optimistic for bright prospects in the years to come.

THREATS AND RISKS

Stiff competition, increasing input costs and delay in the sanction of the scheme has worsened the financial position of the company.

However, Promoters of your Company have been putting their best efforts to tide over the situation by injecting their funds.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance during the year has been satisfactory.

INTERNAL CONTROL SYSTEM AND THEIR EFFICACY

The Company has adequate internal control system in various operational areas of the Company to ensure that the system is being properly observed for better results.

QUALITY

The Company has been focusing on up gradation of quality and innovation.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Industrial Relations remained cordial throughout the year under review.

CAUTIONARY STATEMENT

Statement in this management analysis detailing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking" statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that may influence your Company's operations include Global and domestic supply and demand conditions affecting selling prices, input availability and prices, changes in Government policies, regulations, tax regimes, economic development within and outside the country and other allied factors. The Company assumes no responsibility to publicly amend, modify or revise the forward looking statement on the basis of subsequent developments, information or events

CEO/CFO CERTIFICATE

I Nitin Rasiklal Parekh, Managing Director of Aditya Forge Limited, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2014 and that to the best of my knowledge and belief.
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control, if any, over financial reporting during the year;
 - significant changes, if any, in accounting policies during the year and that the financial statements; and
 - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.
5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2014.

Date: 7th September, 2014
Place: Vadodara

Sd/- 
Nitin Rasiklal Parekh
Managing Director & Chairman



KH & ASSOCIATES
Practising Company Secretaries

CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members,

Aditya Forge Limited,

We have examined all relevant records of Aditya Forge Limited as made available to us for the purpose of certifying compliance under Clause 49 of the Listing Agreement of the said Company with Stock Exchanges of India for the financial year ended on 31st March, 2014.

The Compliance of condition of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof.

The Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanation given to me, we certify that the Company has complied with all the mandatory conditions of the said Clause 49 of the Listing Agreement.

We state that in respect of investor Grievances received during the year ended on 31st March, 2014, no Investor Grievances are pending against the Company for period exceeding one month as per records maintained by the Company.

Dated: 05th September 2014

Place: Vadodara

For, KH & Associates,
Practicing Company Secretary

Hemant Valand
PCS No.8904



INDEPENDENT AUDITORS REPORT

To The Members of

ADITYA FORGE LIMITED.

Report on the Financial Statements

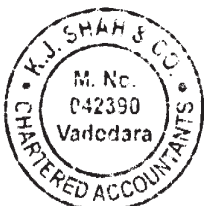
We have audited the accompanying financial statements of **ADITYA FORGE LIMITED** (the Company) which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of companies internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the 'LOSS' for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report), Order, 2003("the Order"), as amended, issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report 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, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,
- c. the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account,
- d. in our opinion, the Balance sheet, statement of profit and loss and the Cash Flow Statement comply with Accounting Standards notified under the Companies Act,



1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013.

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Date: 24th August 2014
Place: Vadodara



For, K.J.Shah & Co.,
Chartered Accountants
Registration No.132369W

A handwritten signature in black ink, appearing to be "Kamlesh J Shah".

(Kamlesh J Shah)
Proprietor
Membership No.042390

Annexure referred to in paragraph titled as 'Report on Other Legal and Regulatory Requirements' of Independent Auditors Report to the members of ADITYA FORGE LIMITED for the year ended 31st March 2014.

1. In respect of its fixed assets:

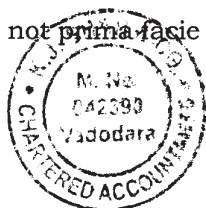
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year in accordance with a phased programmed of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company & nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- (c) As explained to us, the company has not made disposal of substantial part of fixed assets during the year under review and has not affected the going concern.

2. In respect of its inventories:

- (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) Procedures for physical verification of inventory followed by the management needs to improve to make it adequate in relation to the size of the company and the nature of its business.
- (c) In Our Opinion, the Company is maintaining proper records of Inventory. Discrepancies noticed on Physical verification of Inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clause (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the Current year.
- (b) The Company has taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (c) In our opinion and according to the information and explanation given to us, barring the nil rate of interest and other terms and conditions for such loans are not ~~prima facie~~ prejudicial to the interest of the company.



- (d) The loans taken are re-payable on demand.

4. In respect of internal control

In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed continuing failure to correct major weaknesses in internal control system.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956

- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 are made at price which are reasonable having regard to prevailing market prices at the relevant time.

6. In respect of deposits from public

No deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and rules framed there under have been accepted by the Company.

7. In respect of internal audit system

In our opinion the Company has an in house internal audit system, commensurate with the size of the Company and nature of its business, however the same is required to be strengthened with regard to the scope, reporting and its compliance.

8. In respect of maintenance of cost records

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for Maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Company's product to which the said rules are made applicable and are of the



opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate.

9. In respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, Cess and other material statutory dues applicable to it except Excise Duty amounting to Rs.18,08,267/- & Professional Tax amounting to Rs.89590/-
- (b) According to the records of the Company, there are no dues of Sales tax, Customs duty, Wealth tax, service tax and cess that have not been deposited on amount of any dispute. There were disputed statutory dues of the company that have not been deposited on account of matters pending before appropriate authorities. The same are as below;

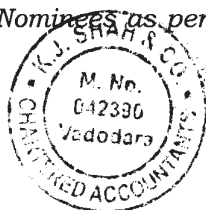
Sr No.	Name of the Statue	Nature of the Due	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax	Tax & Interest	10,59,470/-	F.Y 2009-10	CIT(A)
2	Income Tax	Tax & Interest	77,51,550/-	F.Y 2010-11	CIT(A)

10. In respect of accumulated losses and cash losses

There are accumulated losses of Rs.483.76 Lacs [Previous Year Rs.454.78 Lacs] of the Company at the end of the financial year. There are no cash losses during the financial year. In the current year company's Net-Worth has exceeded Accumulated Losses. The Company has become Sick Industrial Company within the meaning of Sick Industrial Company (Special Provisions) Act, 1985 as the accumulated losses were more than net worth of the Company. A reference to BIFR is recommended by the Board.

11. In respect of dues to financial institution / banks / debentures

The company is not making payments to the Madhavpura Mercantile Co-op Bank Limited(MMCB). The bank has filed a case against the company in the Court of Board of Nominees. The company has provided for Interest of Rs.1,92,11,140 to arrive at the figure for which case is filed by the Bank with the Court of Board of Nominees as per the Notice No. MMCB/HO/44/229/2011-12 dated 4th January,



2012 issued to the company by MNCB. Interest from the date of decree on the outstanding amount of the suit is yet to be charged to the Profit and loss account. The Company had shown their willingness to settle the account as per OTS offered to them by the Bank (MNCB) vide their letter No. MNCB/SHB/43/10/11 Dated 10/06/2010. The request of Company is pending.

12. In respect of loans and advances granted on the basis of security

According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities.

13. In respect of provisions applicable to Chit fund

In our opinion and according to information and explanations given to us the company is not chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.

14. In respect of dealing or trading in shares, securities, debentures and other investment

According to the information and explanation given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provision of clause 4(xiv) of the Companies (Auditors Report) order 2003 are not applicable to the company.

15. In respect of guarantee given for loans taken by others

According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

16. In respect of application of term loans

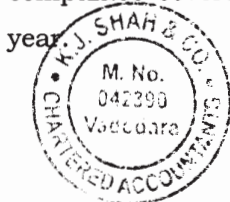
According to the information and explanations given to us, in our opinion, the terms loans were applied for the purpose for which they were obtained.

17. In respect of fund used

According to the information and explanations given to us and on overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.

18. In respect of preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year



19. In respect of securities created for debentures

The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

Based upon the audit procedures performed for the purpose of recording the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud or by the company has been noticed or reported during the course of our audit.

Date: 24th August 2014
Place: Vadodara



For, K.J.Shah & Co.,
Chartered Accountants
Registration No.132369W

(Kamlesh J Shah)
Proprietor
Membership No.042390

Aditya Forge Limited
Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	43,086,000	43,086,000
(b) Reserves and surplus	4	(48,235,730)	(45,478,108)
(c) Money received against share warrants		-	-
		(5,149,730)	(2,392,108)
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	83,345,476	83,345,476
(b) Deferred tax liabilities (net)	22.1	-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
		83,345,476	83,345,476
4 Current liabilities			
(a) Short-term borrowings	6	2,741,469	5,170,406
(b) Trade payables	7	40,732,272	17,608,523
(c) Other current liabilities	8	11,555,479	27,989,707
(d) Short-term provisions	9	2,627,019	1,108,425
		57,656,239	51,877,061
TOTAL		135,851,985	132,830,429
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	102,888,753	109,458,312
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		102,888,753	109,458,312
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	22.1	1,839,399	995,551
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
		104,728,152	110,453,863
2 Current assets			
(a) Current investments	11	1,631,600	1,631,600
(b) Inventories	12	12,484,889	10,413,360
(c) Trade receivables	13	8,369,997	2,060,838
(d) Cash and cash equivalents	14	57,752	853,004
(e) Short-term loans and advances	15	5,329,595	7,417,765
(f) Other current assets	15a	3,250,000	-
		31,123,833	22,376,566
TOTAL		135,851,985	132,830,429

See accompanying notes forming part of the financial statements

In accordance with 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 : 25th August 2014

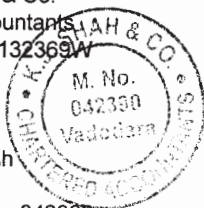
For and on behalf of the Board of Directors

Aditya Forge Limited

Director

Place : Vadodara

Date : 25th August 2014



Aditya Forge Limited
Profit and Loss Statement for the year ended as on 31 March, 2014

Particulars	Note No.	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1 Revenue from operations (net)	16	197,751,407	186,672,514
2 Other income	17	117,779	91,462
3 Total revenue (1+2)		197,869,186	186,763,976
4 Expenses			
(a) Cost of materials consumed	18.a	167,166,399	137,488,440
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.b	(2,071,529)	8,617,724
(d) Employee benefits expense	19	15,996,783	13,941,641
(e) Finance costs	20	1,114,966	22,905,116
(f) Depreciation and amortisation expense	10	7,877,531	7,742,796
(g) Other expenses	21	11,386,506	14,838,825
5 Total expenses		201,470,656	205,534,542
6 Profit before exceptional and extraordinary items and tax (3-5)		(3,601,470)	(18,770,566)
7 Exceptional Items		-	-
8 Profit before Extraordinary Items and Tax (6-7)		(3,601,470)	(18,770,566)
9 Extraordinary Items		-	-
10 Profit / (Loss) before tax (8 ± 9)		<u>(3,601,470)</u>	<u>(18,770,566)</u>
11 Tax expense:			
(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		843,847	620,154
12 Profit / (Loss) for the year (10 ± 11)		<u>(2,757,623)</u>	<u>(18,150,412)</u>
13 Earnings per share (of ₹ 10/- each):			
(a) Basic	22.2.a	(0.64)	(4.21)
(b) Diluted	22.2.b	(0.64)	(4.21)

See accompanying notes forming part of the financial statements

In accordance of our report of even date.

For, K. J. Shah & Co.

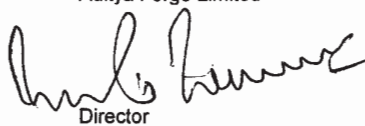
Chartered Accountants

Firm Reg. No.: 132369W

Kamlesh J. Shah
Proprietor
Membership No.: 042390
Place : Vadodara
Date : 25th August 2014

For and on behalf of the Board of Directors

Aditya Forge Limited


Director


Director

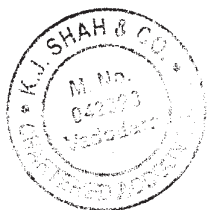
Place : Vadodara

Date : 25th August 2014



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	₹	No. of shares	₹
Note 3 Share capital :				
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	6,000,000	<u>60,000,000</u>	6,000,000	<u>60,000,000</u>
(b) Issued , Subscribed & Fully paid up				
Equity shares of ₹ 10 each with voting rights	4,308,600	43,086,000	4,308,600	43,086,000
Refer Notes as below;				
(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	4,308,600	43,086,000	4,308,600	43,086,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	4,308,600	<u>43,086,000</u>	4,308,600	<u>43,086,000</u>
Total		<u>43,086,000</u>		<u>43,086,000</u>
(ii) Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
(a) Nitin Parekh	1,120,400	11,204,000	1,082,800	10,828,000



Aditya Forge Limited

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Note 4 Reserves and surplus :		
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(45,478,108)	(27,327,696)
Add: Profit / (Loss) for the year	(2,757,623)	(18,150,412)
Amounts allocated / transferred from / to:	-	-
Closing balance	(48,235,730)	(45,478,108)

Note 5 Long-term borrowings :

(a) Term loans		
From banks		
Secured	83,345,476	83,345,476
Unsecured	-	-
	<u>83,345,476</u>	<u>83,345,476</u>
From other parties		
Secured	-	-
Unsecured	-	-
	<u>-</u>	<u>-</u>
Total	<u>83,345,476</u>	<u>83,345,476</u>

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, 2014 Secured ₹	As at 31 March, 2013 Secured ₹
Term loans from banks:				
Madhavpura Mercantile Co-op Bank Ltd (Equipment Finance)*	Monthly Repayment	Secured against Hypothecation of Plant and Machinery	20,960,255	20,960,255
Madhavpura Mercantile Co-op Bank Ltd(Term Loan)*	Monthly Repayment	Secured against Hypothecation of Plant and Machinery	31,929,316	31,929,316
Madhavpura Mercantile Co-op Bank Ltd (CC)*		First exclusive charge on the entire Current Assets for the Company	30,455,905	30,455,905
<p>* 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.</p>				
			<u>83,345,476</u>	<u>83,345,476</u>

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

All the above mentioned loans are additionally guaranteed by Director. The Details of the same are as per above notes (i).



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Note 6 Short-term borrowings :		
(a) Loans and advances from related parties		
Secured	-	-
Unsecured	2,741,469	5,170,406
(b) From bank		
Secured		
Unsecured		
Total	2,741,469	5,170,406
Refer Notes (i) & (ii)		
Note 7 Trade payables :		
Trade payables:		
Acceptances	40,732,272	17,608,523
Other than Acceptances	-	-
Total	40,732,272	17,608,523
Note 8 Other current liabilities :		
(a) Other payables		
(i) Statutory remittances (Contributions to PF & ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	11,462,338	9,017,154
(ii) Advances from Customers	67,988	18,947,094
(iii) Other Current Liabilities	25,153	25,459
Total	11,555,479	27,989,707
Note 9 Short-term provisions		
(a) Provision for employee benefits:		
(i) Provision for Salary & Wages	1,940,460	984,518
	1,940,460	984,518
(b) Provision - Others:		
(i) Provision for Current tax	-	-
(ii) Provision for expenses	10,907	123,907
(iii) Director remuneration	554,303	
(iv) Auditor remuneration	121,349	
	686,559	123,907
Total	2,627,019	1,108,425



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, 2014 ₹	As at 31 March, 2013 ₹
(i) Loans and advances from related parties:			
Nitin Rasiklal Parekh	Unsecured	2,691,469	2,620,406
Rekhaben Parekh	Unsecured	50,000	50,000
Total - Loans and advances from related parties		<u>2,741,469</u>	<u>2,670,406</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 guarantee. The Details of the same are as per above notes (i).



Aditya Forge Limited

Notes forming part of the Financial Statements

Note 10 :

a. Schedule of Tangible Assets :

Particulars	Gross Block			Depreciation			Net Block	
	As at 1/4/2013	Additions ₹	Ded. / Adj. ₹	As at 31/03/2014	As at 1/4/2013	Additions ₹	As at 31/03/2014	Net Block 31/03/2013 ₹
(i) Tangible Assets :								
Lease Hold Land	3,090,144	-	-	3,090,144	-	-	-	3,090,144
Building	28,505,127	-	-	28,505,127	13,851,364	952,071	14,803,435	13,701,692
Furniture & Fixture	1,841,609	-	-	1,841,609	762,357	111,315	873,672	1,079,252
Plant & Machinery	84,645,272	478,206	39,251	85,084,227	33,770,852	4,038,830	37,809,682	50,874,420
Electrical Installation	7,582,938	-	148,750	7,434,188	4,183,676	356,241	4,539,917	3,399,262
Vehicles	1,417,138	-	-	1,417,138	658,235	134,628	792,863	758,903
Dies & Jigs	42,365,222	934,900	-	43,300,122	8,715,886	2,026,353	10,742,239	33,649,336
Office Equipments	2,056,819	52,000	-	2,108,819	1,301,059	135,678	1,436,737	755,760
Lab & Quality Control Equipment	1,339,127	-	-	1,339,127	199,045	63,608	262,653	1,140,082
Computers	1,609,458	30,870	-	1,640,328	1,552,066	58,807	1,610,873	57,392
Total	174,452,854	1,495,976	188,001	175,760,829	64,994,540	7,877,531	72,872,071	109,458,312
Previous Year	171,580,303	3,792,004	919,455.00	174,452,852	57,413,285	7,742,796	64,994,540	109,458,312

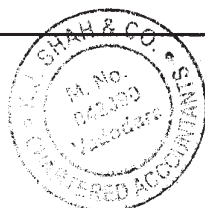
b. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended		For the year ended	
	31 March, 2014	₹	31 March, 2013	₹
Depreciation and amortisation for the year on tangible assets	7,877,531	7,742,796	-	-
Less: Utilised from revaluation reserve	-	-	-	-
Depreciation and amortisation relating to continuing operations	7,877,531	7,742,796	-	-



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Note 11 Current Investments		
(a) Madhavpura Mercantile Co-op Bank Ltd. (16,250 shares @ Rs.100 each)	1,625,000	1,625,000
(b) Baroda City Co-op Bank Ltd (660 shares @ Rs.10 each)	6,600	6,600
Total	1,631,600	1,631,600
Note 12 Inventories : (As certified by the Management) (Valued at cost)		
(a) Finished Goods	12,484,889	-
(b) Scrap	-	-
(c) Consumables	-	-
(d) Raw Material	-	-
(e) Work In Progress	-	10,413,360
Total	12,484,889	10,413,360
Note 13 Trade Receivables :		
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
Secured, considered good	-	-
Unsecured, considered good	1,831,655	1,231,309
Doubtful	-	-
	<u>1,831,655</u>	<u>1,231,309</u>
Less: Provision for doubtful trade receivables	-	-
	<u>1,831,655</u>	<u>1,231,309</u>
(ii) Other Trade receivables :		
Secured, considered good	-	-
Unsecured, considered good	6,538,342	829,529
Doubtful	-	-
	<u>6,538,342</u>	<u>829,529</u>
Less: Provision for doubtful trade receivables	-	-
	<u>6,538,342</u>	<u>829,529</u>
Total	8,369,997	2,060,838
Note:		
(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.
Note 14 Cash and cash equivalents :		
(a) Cash on hand	9,587	795,859
(b) Balances with banks		
(i) In current accounts	48,165	57,145
Total	57,752	853,004



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Note 15 Short-term loans and advances :		
(a) Security deposits		
Unsecured, considered good	1,550,967	1,551,339
Doubtful	-	-
	<u>1,550,967</u>	<u>1,551,339</u>
Less: Provision for doubtful deposits	-	-
	<u>1,550,967</u>	<u>1,551,339</u>
(b) Advances to Suppliers		
Unsecured, considered good	513,487	1,320,456
Doubtful	-	-
	<u>513,487</u>	<u>1,320,456</u>
Less: Provision for doubtful loans and advances	-	-
	<u>513,487</u>	<u>1,320,456</u>
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT Receivable	26,647	194,186
(ii) VAT Receivable	-	1,057,039
(iii) Service Tax Credit Receivable	345,180	474,644
(iv) MAT Deposit Receivable	742,769	742,769
(v) TDS Receivable	1,486,515	1,474,001
(vi) Income Tax Refund	130,457	130,457
	<u>2,731,568</u>	<u>4,073,096</u>
(d) Prepaid expenses		
Advance Expenses Paid	20,972	39,774
	<u>20,972</u>	<u>39,774</u>
(e) Other advances		
Secured, considered good	-	-
Unsecured, considered good	512,601	433,100
Doubtful	-	-
	<u>512,601</u>	<u>433,100</u>
Less: Provision for other doubtful loans and advances	-	-
	<u>512,601</u>	<u>433,100</u>
Total	<u>5,329,595</u>	<u>7,417,765</u>

Note:

(i) Short-term loans and advances include amounts due from:

Directors	N.A	N.A
Other officers of the Company	N.A	26,500
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	120,246

15a Other current Assets

(a) The company has opted for OTS scheme of MMCBL. The company paid @ 5% of OTS amount

3,250,000

Total 3,250,000



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
Note 16 Revenue from operations :		
(a) Sale of products @ (Refer Note (i) below)	195,521,192	156,980,947
(b) Sale of services @ (Refer Note (ii) below)	36,780	29,562,251
(C) Others @ (Refer Note (iii) below)	2,193,435	129,316
Total	197,751,407	186,672,514

Notes:

- (i) Sale of products comprises :
(As per Note 21 Additional Information to Financial Statements)
- (ii) Sale of Services comprises :
(a) Jobwork Income
- (iii) Other Income from Operation

36,780	29,562,251
2,193,435	129,316

Note 17 Other income :

(a) Interest income (Refer Note (i) below)	117,779	91,462
(f) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	-	-
Total	117,779	91,462

Notes:

- (i) Interest income comprises:
Other interest

117,779	91,462
Total - Interest income	91,462



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
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Note 18.a Cost of materials consumed :

Opening stock	-	24,024,513
Add: Purchases	167,166,399	113,463,927
	<u>167,166,399</u>	<u>137,488,440</u>
Less: Closing stock	-	-
Cost of material consumed	<u>167,166,399</u>	<u>137,488,440</u>

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

Note 18.b Changes in inventories of finished goods, work-in-progress and stock-in-trade :

Inventories at the end of the year:

Finished goods	12,484,889	-
Scrap	-	-
Consumables	-	-
Work in progress	-	10,413,360
	<u>12,484,889</u>	<u>10,413,360</u>

Inventories at the beginning of the year:

Finished goods	-	8,614,698
Scrap	-	208,192
Consumables	-	65,430
Raw Materials	-	-
Work in progress	10,413,360	10,142,764
	<u>10,413,360</u>	<u>19,031,084</u>

Net (increase) / decrease **-2,071,529** **8,617,724**

Note 19 Employee benefits expense :

Salaries, wages & Bonus	15,945,356	13,708,871
Contributions to provident and other funds	42,133	172,198
Staff welfare expenses	9,294	60,572
Total	<u>15,996,783</u>	<u>13,941,641</u>

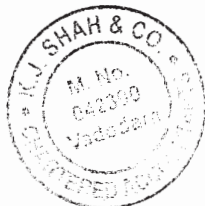
Note 20 Finance Cost :

(a) Interest expense on:

(i) Borrowings MNCB	-	19,211,140
(ii) Others		
- Interest on CENVAT	1,368	296,089
- Interest on VAT	21,413	59,874
- Interest on Raw Material Supplier	1,070,286	3,273,567
- Interest on Service Tax	1,931	2,898
- Interest on TDS	-	47,234

(b) Other borrowing costs

	19,968	14,314
Total	<u>1,114,966</u>	<u>22,905,116</u>



Aditya Forge Limited
Notes forming part of the Financial Statements

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Note 21 Other expenses :		
Administrative Exps.	2,826,205	4,747,068
Selling & Distribution Exps.	155,233	324,587
Manufacturing & Others	613,490	1,131,753
Directors Remuneration	1,080,000	1,080,000
Electricity Charges	5,765,435	5,968,556
Rates & Taxes	932,054	284,498
Misc.Exps	10,689	31,286
Professional Tax	2,400	2,400
Cenvat & Excise not available	-	710,840
Loss on Fixed assets	-	482,034
Prior Period Expense	-	73,432
Service Tax	1,000	2,371
Total	11,386,506	14,838,825



Aditya Forge Limited
Notes forming part of the Financial Statements

Note	Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
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Note 22 Disclosures under Accounting Standards :

22.1	Deferred tax (liability) / asset :	995,551	375,397
	<u>Tax effect of items constituting deferred tax liability :</u>		
	On difference between book balance and tax balance of fixed assets	-	-
	Tax effect of items constituting deferred tax liability	-	-
	<u>Tax effect of items constituting deferred tax assets :</u>		
	On difference between book balance and tax balance of fixed assets	2,730,898	2,006,972
	Tax effect of items constituting deferred tax assets	843,847	620,154
	Net deferred tax (liability) / asset	1,839,399	995,551

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.

22.2 Earnings per share :

22.2.a Basic

Net profit / (loss) for the year	(2,757,623)	(18,150,412)
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	(2,757,623)	(18,150,412)
Weighted average number of equity shares	4,308,600	4,308,600
Par value per share	10	10
Earnings per share - Basic	(0.64)	(4.21)

22.2.b Diluted

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

Net profit / (loss) for the year	(2,757,623)	(18,150,412)
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	(2,757,623)	(18,150,412)
Add: Interest exp. and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) attributable to equity shareholders (on dilution)	(2,757,623)	(18,150,412)
Weighted average number of equity shares for Basic EPS	4,308,600	4,308,600
Add: Effect of warrants, ESOPs & Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	4,308,600	4,308,600
Par value per share	10	10
Earnings per share - Diluted	(0.64)	(4.21)



Aditya Forge Limited

Notes forming part of the Financial Statements

Note	Particulars	
Note 22 Disclosures under Accounting Standards (contd.)		
22.3.a Related party transactions		
Details of related parties:		
Description of relationship		
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.	
Note: Related parties have been identified by the Management.		
22.3.b Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:		
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Purchase of goods/Consumables		
1. Harilal & Sons	77,928	23,039
2. Delta Stainless Pvt. Ltd.	-	17,309,929
3. Aditya Exim Ltd.	138850150*	74,814,612
Sale of goods		
1. Delta Stainless Pvt. Ltd.	467,200	31,281,036
2. Aditya Exim Ltd.	193857777*	140,553,863
Receiving of services		
1. Remuneration Paid to Nitin Parekh	960,000	960,000
Rendering Service		
1. Aditya Exim Ltd.	-	27,343,537
Balances outstanding at the end of the year		
Trade receivables		
1. Harilal & Sons	42,318	120,246
2. Aditya Exim Ltd.	5,675,992	-
Loans and advances		
Trade payables		
1. Delta Stainless Pvt. Ltd.	7,343,298	1,110,991
2. Aditya Exim Ltd.	-	17,714,837
Borrowings		
1. Nitin Parekh	2,691,469	2,620,406
2. Rekha Parekh	50,000	50,000

* figures are net of tax

Note 23 Previous year figures :

Previous year's figure has been regrouped /rearrange whenever considered necessary.



Aditya Forge Limited

Cash Flow Statement prepared pursuant to clause 32 of listing agreement
for the year ended as on 31st March, 2014

Particulars	2013-14 (₹)	2012-13 (₹)
A) Cash Flow from Operating Activities:		
Profit / (Loss) for the year before Tax	(3,601,470)	(18,770,566)
Adjustments for;		
Add : Net Increase and Decrease in Accumulated Depreciation	7,877,531	7,581,254
Interest Paid (Net)	1,114,966	22,905,116
Miscellaneous Expd. W-off (Incl Defferred Revenue Expd.)	-	-
Less : Tax Adjustments For Prior Year/FBT/DTL	-	-
Operating Profit/(Loss) Before Working Capital Changes	5,391,027	11,715,804
Adjustments for;		
Add : Decrease in Sundry Debtors	-	2,922,028
Add : Increase in Current Liabilites	8,208,115	-
Add : Decrease in Loans and Advances	-	2,036,737
Add : Decrease in Inventory	-	32,642,237
Less : Decrease in Current Liabilites	-	42,268,279
Less : Increase in Loans and Advances	1,161,830	-
Less : Increase in Inventory	2,071,529	-
Less : Increase in Sundry Debtors	6,309,159	-
Cash Generated from Operations.	(1,334,403)	(4,667,277)
Less : Interest Paid	1,114,966	22,905,116
Cash flow before extraordinary item	2,941,658	(15,856,589)
Net Cash Generated from (used) in Operating Activities (A)	2,941,658	(15,856,589)
B) Cash Flow from Investing Activities:		
Less : Purchase or Investment in Fixed Assets (Net)	1,307,975	2,872,549
Add : Reduction in Advance against Capital Goods	-	-
Less : Increase in Advance against Capital Goods	-	-
Net cash used in investing activities (B)	(1,307,975)	(2,872,549)
C) Cash Flow from Financial Activities:		
Add: Proceeds from Long term borrowings	-	19,211,140
Less : Repayment of long term borrowings	-	-
Less : Repayment of Short term borrowings	2,428,937	254,352
Net Cash Generated (Used) in Financing Activities (C)	(2,428,937)	18,956,788
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	(795,254)	227,650
Cash and Cash Equivalensts at the Beginning of the Period	853,004	625,353
Cash and Cash Equivalents at the End of the Period	57,750	853,003

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

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 **31st 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: 25.08.2014



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

Kamlesh J. Shah
Proprietor
Membership No.: 042390

ADITYA FORGE LTD

Regd. Office: 415 G.I.D.C. Ramangamdi Por – 391243 N. H. 8, Dist. Baroda.

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER A THE ENTRANCE OF THE MEETING HALL JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL SLIP ON REQUEST.

Name & Address of the Share Holder (IN BLOCK LETTER)

No. of Share Held : _____ Redg. Folio No. _____ I hereby record my presence at the 22nd Annual General Meeting of the Company held on Monday the 29th September, 2014 at 415,G.I.D.C., Ramangamdi, Por – 391243, N. H. 8, Dist. Baroda, the Registered Office of the Company.

Signature of the Shareholder / Proxy

------(TEAR HERE)-----

PROXY**ADITYA FORGE LTD**

Regd. Office: 415 G.I.D.C. Ramangamdi Por – 391243 N. H. 8, Dist. Baroda.

Regd. Folio No. _____

I/We _____ being a member/members of _____
 _____ Aditya Forge Ltd, hereby appoint _____ of _____ as my/our proxy to vote for me/us at 22nd Annual General Meeting of the Company to be held on 29.09.2014 at the Registered Office of the Company and at any adjournment thereof.

Signed _____ Day of _____ 2014 the said.

**AFFIX
1/- Re.
REVENUE
STAMP**

Note: This instrument of Proxy, duly completed, must be deposited at the Registered Office of the Company at Baroda, not less than 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.

BOOK POST**To,**

If undelivered please return to:

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