

## NOTICE OF ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the Annual General Meeting of the Members of Aditya Forge Limited will be held on Friday, 30<sup>th</sup> September 2023 at 11:30 a.m. to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **Item No. 1. Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the Financial year ended on 31<sup>st</sup> March 2023, together with the Report of the Board of Directors' and Auditors' and in this regard pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on March 31, 2023, and the reports of the Board of Directors and Auditors' thereon laid before this meeting be and are hereby adopted."

#### **Item No. 2. To Appoint M/S. M A A K & Associates, Chartered Accountants, F.R.N.: 135024W, as a Statutory Auditor of The Company And To Fix Their Remuneration**

To appoint Statutory Auditor for the period of five years, pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. M A A K & Associates, Chartered Accountants, F.R.N.: 135024W be and are hereby appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office for the Financial year 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28 i.e. from the conclusion of 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2028 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

#### **Item No. 3. Re-appointment of Director**

To appoint a Director in place of MR. VISHNUBHAI INDUBHAI PATEL (DIN: 00070985), who retires by rotation at this Annual General Meeting, in terms of section 152(6) of the Companies Act, 2013 and, being eligible, has offered himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) of the Companies Act, 2013, MR. VISHNUBHAI INDUBHAI PATEL (DIN: 00070985), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**Date: 21<sup>st</sup> August, 2023**

**By Order of the Board of Directors of  
Aditya Forge Limited**

**NITIN RASIKLAL PAREKH  
(DIN: 00219664)  
Chairman**

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2/2022 dated 5th May, 2022 read with Circular No. 21/2021 dated December 14, 2021, Circular No. 19/2021 & 20/2021 dated December 08, 2021, Circular No. 02 dated 13th January, 2021, Circular No. 20 dated May 5, 2020, Circular No. 17 dated April 13, 2020 & Circular No. 14 dated April 8, 2020 (hereinafter collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 (collectively referred to as "SEBI Circulars") permitted the holding of General Meeting through VC or OAVM without the physical presence of Members at a common venue.
2. in compliance with the above-mentioned Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 37th Annual General Meeting of the Members of the Company is being held through VC/ OAVM on Friday, 30th September 2022 at 4:30 p.m. IST. The Registered office of the Company shall be deemed to be venue of the AGM.
3. The Explanatory Statement pursuant to Section 102(1) of the Act, with respect to the Ordinary/ Special Business to be transacted at the meeting set out in the Notice is annexed hereto. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website [www.adityaforge.com](http://www.adityaforge.com); websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Wednesday, 23<sup>rd</sup> September 2023 to 29<sup>th</sup> September 2023 both days inclusive, in connection with the AGM.

Date: 21<sup>st</sup> August, 2023

By Order of the Board of Directors of  
Aditya Forge Limited

NITIN RASIKLAL PAREKH  
(DIN: 00219664)  
Chairman

## BOARD'S REPORT

Dear Members,

Your directors take pleasure in presenting the Thirty-Eight Annual Report Aditya Forge Limited ('the Company') along with the Audited Financial Statements for the Financial Year ended March 31<sup>st</sup>, 2023

### 1. FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year ended March 31, 2023, is as below:

Financial Performance	(Rs. In Hundreds)	
	Year ended 31.03.2023	Year ended 31.03.2022
Turnover & Other Income	33,25,427	21,68,956
Less: Expenditure	32,54,563	22,37,223
Profit/Loss before Depreciation, Interest and Taxation	1,75,706	(6,873)
Interest	(79,926)	(36,767)
Depreciation & Amortization	(24,916)	(24,627)
Profit/(Loss) before Taxation	70864	(68,267)
Provision/(reversal) for Income Tax / Deferred Tax	4,258	4,219
Net Profit/(Loss) after Taxation	75,122	(64,049)
Other Comprehensive Income (OCI)	00	00
Net Profit/(Loss) after OCI	75,122	(64,049)

### 2. COMPANY'S PERFORMANCE

The Total Income for the year is Rs. 33,25,427 Hundreds, which is higher than the previous year's Total Income of Rs. 21,68,956 Hundreds. There is an upward rise of 65.22%. The overall income of the Company has increased with the consistent efforts of the Management to promote the business and revenue. With all this effort, the Company has reported a Profit of Rs. 75,122 hundred for the year in comparison to a Loss of Rs. (64,049) hundreds for FY 2021-22.

### 3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the requirements of the Act and the Company's Articles of Association, MR. VISHNUBHAI INDUBHAI PATEL (DIN: 00070985) retires by rotation and being eligible, offers himself for re-appointment. Relevant resolutions (Ordinary and Special, as applicable) seeking shareholders' approval forms part of the Notice.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are:

- ❖ NITIN RASIKLAL PAREKH (Managing Director)
- ❖ YOGESHKUMAR SUMANLAL PUJARA (Chief Financial Officer)
- ❖ MANSI PRATIK PATEL (Company Secretary)

#### 4. RESERVES

The Board do not recommend transfer of any amount to General Reserves.

#### 5. DIVIDEND

In view of continuing losses, your directors have not recommended Dividend for the Financial Year 2022-23.

#### 6. SHARE CAPITAL

There was no public issue, rights issue, bonus issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor granted any stock options.

#### 7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report. There has been no change in the nature of business during the year.

The Banker Madhavpura Mercantile Co-operative Bank Ltd (The MNCB Ltd) has gone into liquidation. The MNCB Ltd had offered the settlement under OTS for an amount of Rs. 6.21 Crores (against outstanding of the Term Loan facility amounting to Rs. 5.13 Cr. and Cash Credit facility of Rs. 2.90 Cr Plus due interest from FY 2006 / disputable charges). The matter is under re-consideration by the bank. The Company Management has shown for willingness to settle the dues as outstanding of Rs. 4.75 Crores on NPA Date i.e. 31.03.1999. 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. The MNCB Ltd had issued last communication dated 12th March 2021 wherein the MNCB Ltd has offered for a settlement at Rs.7.56 Crores + interest @8% from 01st February 2021 till date of payment if made within mutually agreed period. However, the Company has responded to the same to settle the dues for an amount of Rs. 500 Lakhs.

Your Board has also decided that considering the prolonged adversities in the business due to non-availability of adequate working capital finance, the breakeven production as compared to installed capacity is not possible to be achieved. Under the circumstances, to meet One time Settlement as referred above is only possible with disposal of the fixed assets of the company, either partially or fully and re-locating the activity at a different premise obtained either as owned or on lease.

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

Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished below:

##### #CONSERVATION OF ENERGY

The Company is extremely cautious with regard to resource management & particularly the energy conservation be it electrical or gas consumption. We have installed necessary capacitors in our electrical sub stations & VFD (Variable Frequency Drive) in most of the motors. All the halogens, incandescent bulbs & even the PL tubes (Plug in Light) are almost replaced with LED (Light Emitting



Diodes). The entire property has magnetic door locks which monitors the overall supply to individual guest rooms & thermostats controls are provided for guest comfort & energy saving. All the glass window are replaced with Double Glace DGU & fixed sunscreen protection are laid on them. The new magnetic chillers used for air conditioning process have proved to be major savers.

#### **# FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, your Company earned Foreign Exchange of Rs. 85,677 (Hundreds) /- (PY Rs. NIL/-).

#### **9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has been taking proactive approach concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself. (a) financial; (b) legal and regulatory; (c) operating; and (d) commercial risks, including health, safety and environment. The Company does not have any Risk Management Committee as the Board takes into consideration all the risk factors at regular intervals at its meetings

#### **10. CORPORATE SOCIAL RESPONSIBILITY**

Provisions relating to Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.

#### **11. INSURANCE**

The Company has a broad-banded approach towards insurance. Adequate cover has been taken for all movable and immovable assets against numerous risks and hazards.

#### **12. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

Your Company has Zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in-line with the provisions of the sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has adopted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provision relating to the constitution of Internal Complaint Committee which are set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman / Managing Director. There was no complaint outstanding / received from any employee during the financial year 2021-22 and hence, no complaint is pending as on March 31, 2022, for redressal.

#### **13. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

No proceedings are pending Under the INSOLVENCY AND BANKRUPTCY CODE, 2016

**14. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

Not Applicable

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

No loans and guarantees are made by the Company during the year under review. However, the details of the investment made in compliance with provision of section 186 of Companies Act, 2013, are provided in the Financial Statement.

**16. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**17. MAINTENANCE OF COST RECORDS AND COST AUDIT**

Your Company is not required to maintain Cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

**18. STATUTORY AUDITORS**

M/s. Sugnesh Mehta and Co, Chartered Accountants (FRN:120348W) were appointed as Statutory Auditors for conducting the statutory audit for the financial year 2022-23. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

**19. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed KH & ASSOCIATES, a Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is furnished in Annexure 1 (Form No. MR-3).

**20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties in Form AOC-2 are enclosed as per Annexure 3. All the Related Party Transactions are held at arm's length price and in Ordinary Course of Business and within limit prescribed under Section 188 of the Act. for which prior approval of Board of Directors was obtained.

**21. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had Eight board meetings during the financial year under review on 15th May, 2022, 11th August, 2022, 02<sup>nd</sup> September, 2022, 26th October, 2022, 02<sup>nd</sup> December, 2022, 26<sup>th</sup> December, 2022, 07<sup>th</sup> February, 2023 & 31<sup>st</sup> March, 2023.

Attendance of Board Meeting:

Sr. No.	Name of director	Board Meetings		
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance
1.	NITIN RASIKLAL PAREKH	8	8	100%

2.	VISHNUBHAI INDUBHAI PATEL	8	8	100%
3.	REKHA NITIN PAREKH	8	8	100%

## 22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

## 23. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has in place an adequate system of Internal Controls, with documented procedures covering all corporate functions and hotel operating unit to ensure that all transactions are authorized, recorded and reported correctly. This ensures prompt financial reporting, optimum utilization of various resources and immediate reporting of deviations. Compliance with laws and regulations is also ensured and confirmed and is checked by the Internal Auditor of the Company.

The reports of the Internal Auditor are reviewed by the Audit Committee. The Audit Committee also reviews adequacy of internal controls, system and procedures, insurance coverage of assets from various risks and steps are taken to manage foreign currency exposures. The Audit Committee also interacts with Internal Auditors and Statutory Auditors of the Company to ensure compliance of various observations made during the conduct of audits and adequacy of various controls.

## 24. DEPOSITS

The Company has not invited deposit from members or public.

## 25. WEBSITE

The corporate website [www.adityaforge.com](http://www.adityaforge.com) reflecting the new architecture is far more experimental, with large images showcasing the property and its facilities, enhanced content, both in quantity and quality, with in depth information on experiences, services and facilities. The website also displays financial & corporate information.

## 26. DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25 (8) of SEBI Listing Regulations they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of directors of the Company has taken on record the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company

## 27. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit 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. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- 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.

## **28. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS**

During the year under review, there were no frauds reported by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported or no fraud are reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

## **29. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The Company has a "Whistle Blower Policy", the copy of which is available on the website of the Company

## **30. SAFETY & ENVIRONMENT**

The Company is committed to providing a safe and healthy working environment and achieving an injury and illness free work place.

## **31. ACKNOWLEDGEMENTS**

Your directors would like to express sincere appreciation and gratitude to the Company's valued stakeholders including Members, customers, Bankers, vendors, business partners, State Government and the Government of India for their continued co-operation and support.

Directors also place on record sincere appreciation of the commitment and enthusiasm of all its employees. An acknowledgement to all, with whose help, cooperation and hard work, the Company is able to achieve the results.

**DATE: 21.08.2023**  
**PLACE: VADODARA**

**FOR AND ON BEHALF OF THE BOARD**  
**ADITYA FORGE LIMITED**

**SD/-**  
**NITIN RASIKLAL PAREKH**  
**CHAIRMAN**  
**(DIN: 00219664)**



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**  
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**ADITYA FORGE LIMITED**  
415 GIDC, RAMANGANDI,  
POR N H 8 VADODARA GJ

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADITYA FORGE LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023**, according to the provisions of:

1. The Companies Act, 2013 and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable as the Company has not issued any shares during the year under review;**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - **Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities which were listed during the year under review;**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.**
- i) There are no industry specific laws applicable to company and the company has generally complied with the laws generally applicable to the company.
- j) Based on representation made by the Company and its officers, the Company has adequate system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations, Circulars, Guidelines and Standards.



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following qualifications:

- a) *Company has not provided e-voting platform to shareholders as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company not complied with Section 108 of Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.*
- b) *Acknowledgement for sending the notices of the Annual General Meeting of the company is not maintained by the company.*
- c) *The Company has conducted required number of board meeting however it has not given intimation of Board Meeting to Stock Exchanges and publication of notice in newspaper as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Audit period.*
- d) *As the Company is suspended due to penal reasons from Bombay Stock Exchange, it has not complied with certain regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to the company.*
- e) *Composition of Board of Directors of the company is not as per the requirement of the Listed Companies (Listing Obligations and Disclosure Requirements).*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As per the information received from the company Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. It is mentioned that Secretarial Standards were not mandatory to comply with during the Audit period.



During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company and the proceedings of the same yet to be recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no prosecution initiated against the Company and the company has also not received any show cause notice during the year.

**Place: Vadodara**  
**Date: 25/10/2023**  
**UDIN: A026109E001457374**

**For K H & Associates**  
**Company Secretaries**

**SD/-**  
**(Haresh Kapuriya)**  
**ACS No. 26109; CP No. 16749**

***This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.***





**ANNEXURE-A**

To,  
The Members,  
**ADITYA FORGE LIMITED**  
415 GIDC, RAMANGANDI,  
POR N H 8 VADODARA GJ

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Vadodara**  
**Date: 25/10/2023**  
**UDIN: A026109E001457374**

**For K H & Associates**  
**Company Secretaries**

**Sd/-**  
**(Haresh Kapuriya)**  
**ACS No. 26109; CP No. 16749**



## **INDEPENDENT AUDITORS' REPORT**

**TO,**  
**THE MEMBERS OF –**  
**ADITYA FORGE LIMITED**  
**Report on the Audit of the Financial Statements**  
**Opinion**

We have audited the accompanying financial statements of ADITYA FORGE LIMITED (the Company) which comprises the Balance Sheet as at 31<sup>st</sup> March 2023, the statement of Profit and Loss (including Other Comprehensive Income), the statements, including a summary of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 2013 (the ACT) in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed and under section 133 of the Act read with the Companies (Indian accounting standards) Rules 2015 as amended and other accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March 2023, the PROFITS and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the standards an Auditing (SAs) specified under section 143(10) Of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the financial statement section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provision of the Companies Act 2013 and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Emphasis of Matter**

We draw your attention to Note 30 to the financial statements, which describe the management's assessment of the impact of the Liabilities on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as on-going litigation at various legal forum and restrictions etc.) and highly uncertain economic





environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Due to the restrictive situations, we were not able to observe the year-end physical verification of Inventory. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for selected items" and have obtained some audit evidence to issue unmodified opinion on these Financial Statements.

Audit opinion is not modified in respect of above matters.

### Key audit matters

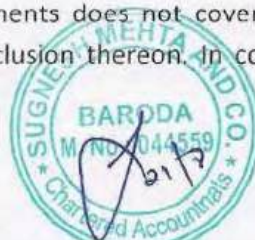
Sr. No.	Key Audit Matter	Audit Note
1	<p>Income tax positions and litigations</p> <p>There are ongoing legal matters relating to direct tax on which requires significant management judgement to determine the impact on financials.</p>	<p>We have discussed with Management on-going litigation.</p> <ul style="list-style-type: none"> <li>• The Management provided all pending appeals lying before CIT (Appeals), ITAT, Ahmedabad.</li> <li>• We have covered details of all completed/ pending tax, assessments and other litigations up to 31<sup>st</sup> March 2023.</li> <li>• Status of pending Refunds claims.</li> <li>• We confirm the management's assumptions and judgment for determining the potential liability and provisions and the possible outcome of the litigation.</li> </ul>

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in the report.

### Information other than the financial statements and auditors report thereon

The company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the management's discussion and analysis, board's report including Annexure to board's report, corporate Governance and shareholder's information, but does not include the financial statements and our auditor's report thereon. The board's Report including annexure to board's report, corporate governance and shareholder's information are expected to be made available to us after the date of this auditor's report. Any material misstatement thereon pertaining to it, it will be reported thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial





statements does not cover the other information and we will not express any form of assurance conclusion thereon. If, based on the work we have performed, we conclude that there is a material of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Managements and those charged with governance for the financial statements**

The company's board of director's is responsible for the matters stated in section 134(5) of the companies act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with provision of the act safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ;making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation or has no realistic alternative but to do so. The board of director's are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities or Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: "

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control; "





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained most of the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer 32 (i)(a) and (b) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
  - i. The Management has represented that , to the best of its knowledge and belief, as disclosed in note to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any

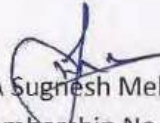


- other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The Management has represented that , to the best of it's knowledge and belief, as disclosed in note to the accounts, that no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

Place: Vadodara  
Date: 21<sup>st</sup> August 2023  
UDIN:23044559BGUJPK6762



For, Sugnesh Mehta and Co.,  
Chartered Accountants  
FRN: 120348W

  
(CA Sugnesh Mehta)  
Membership No.044559



### Annexure- 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the 'Aditya Forge Limited' of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

**(i) In respect of its fixed assets**

- (a) The Company was maintaining records showing particulars including quantitative details and situation of the property, plant and equipment. The records were impacted and are under updating at the office.
- (b) The company has a scheduled a programme of physical verification of its property, plant, and equipment so as to cover all assets once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, all fixed equipments were verified by the management during the preceding previous year. According to the information and explanations given to us, no material discrepancies were noticed on such previous verification;
- (c) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**(ii) In respect of its inventories:**

- (a) As per the information and explanations given to us, the inventories held by the company have been verified on random and sampling basis. It is further explained that having regard to the nature of items, it's handling and movability of stocks practically it is not possible. In our opinion, having regard to the nature and handling movement of stocks, the frequency of the physical verification is reasonable. As per explanation discrepancies in random and sampling basis were less than 10% in aggregate for each class of stocks were noticed on physical verification.
- (b) Based on our examination of the records provided by the management, the company has not been sanctioned working capital limits due to on-going litigation with Madhavapura Cooperative Bank Ltd.





(iii) **In respect of the loans, secured or unsecured, granted by the company to companies, firms, or other parties.**

The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence the requirements of paragraph 3(iii) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company;

(iv) **In respect Loans, Investments, Guarantees and Securities:**

Based on our verification of the documents provided to us and according to the information and explanations given by the Management, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013;

(v) **In respect of deposits from public**

The company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and other relevant provisions of the Act and rules made thereunder;

(vi) **In respect of maintenance of cost records**

We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

(vii) **In respect of statutory dues:**

(a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax , income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities. In our opinion, the company has not been regular in depositing undisputed statutory dues of provident fund, employee state insurance, professional tax. There were no undisputed amounts payable with respect to above statutory dues *barring professional tax* in arrears as at March 31, 2023 for a period of six months from the date they became payable;

(b) According to the information and explanations given to us and the records examined by us, the particulars of statutory dues as at March 31, 2023 which have not been deposited on account of a dispute are as follows:

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	Period to which the amount relates	Forum where dispute is pending
1	Central Excise	Excise Demand	36,10,204/-	F.Y. 2013-14	Appeal pending before appellate Authority
2	Income Tax	Tax & Interest	74,04,830/-	F.Y. 2012-13, 2013-14, 2014-15	Commissioner of Income Tax Appeal Baroda
3	Local authorities	Professional Tax	5,59,630/-	Last many years since Professional Tax has been shifted to the purview of local authorities	Local Authorities

- (viii) **There were no transactions which were not recorded in the books of account.**
- (ix) **In respect of dues to financial institution /banks/debentures.**

*Madhavpura Mercantile Co-op Bank Limited (MMCB) is under Liquidation, as the result of which the company is not able to do banking transaction with it. 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 4<sup>th</sup> 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) vide their letter No. MMCB/SHB/43/10/11 Dated 10/06/2010. The request of Company is pending. In the meanwhile the MMCB has offered new OTS Scheme. The Company has shown their willingness subject to arriving at OTS amount which was offered to the Company vide their Letter dated 10<sup>th</sup> June 2010 for an amount of Rs. 4.76 crores. The necessary discussion between the Company and Liquidator of MMCB is under way.*

*According to information and explanation given to us the company has filed a counter claim of Rs. 12,16,19,311/- on account of sudden closure of Bank's Branch at Vadodara, excessive charging/ recovering of interest from working*





capital facilities forcing the company to face financial crunch resulting into loss of Export orders etc.

Further according to the information and explanations given, the Company has been identified as Viable Sick Industrial Enterprise by Government of Gujarat, Industries Commissionerate, accepting the TEV Report of GITCO, vide their Communication Reference IC/IM/VSIE/SUReg/2019/154485 dated 12-06-2019 with Registration Number SU/MSME/007 dated 04/06/2019 as per scheme declared under Notification – Industries and Mines Department GR No MIS/10/2015/702426/P dated 11/09/2017.

Company has approached to Madhavapura Cooperative Bank Ltd (Under Liquidation) to consider OTS Proposal as per the Amount arrived at within TEV Report at Rs 41.10 million. According to the information and explanations given to me the Company is hopeful of favourable outcome thereof.

Subject to the above;

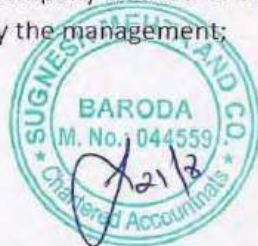
- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- b) The company is not declared as wilful defaulter by any bank or financial institution or other lender;
- c) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any others;
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;

**(x) In respect of application of Term Loans**

- a) The company has not raised any money by way of initial public offer or further public offer (including debt Instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.
- b) The fresh term loan was not raised during the year. Hence reporting on utilization of such money does not arise.
- c) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

**(xi) In respect of Fraud**

- a) During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the management;





(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanations given to us, and based on our examination of the records, Company has not received any whistle blower complaints during the year.

**(xii) In respect of Nidhi Companies**

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

**(xiii) In respect of Related Parties Transactions**

In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;

**(xiv) In respect of Internal Audit System**

- a) In our opinion and the records examined by us, the company has an internal control system. Looking and commensurate with the size and nature of its business *it need to improve*;
- b) The turnover and borrowings of the company are falling below threshold limit as per section 138 of Companies Act, 2013, and hence is not required to appoint internal auditors. Therefore the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

**(xv) In respect of Non-Cash Transactions with Directors**

In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them and the provisions of section 192 of the Companies Act, 2013 are not applicable;

**(xvi) In respect of Registration with RBI**

- (a) According to the information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) As informed to us, there is not more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016);

**(xvii) In respect of Cash Losses**

The Company has not incurred cash losses in the financial year as compared to Cash Losses made in the immediately preceding financial year.

**(xviii) In respect of Resignation of Statutory Auditors**

The Statutory Auditor CA Harsha Nikhilchandra Bhatt had resigned as her concern was not holding 'Peer Review' certificate;



**(xix) In respect of any material uncertainty**

Based on our Reviewing of the Statement of Financial Position, Financial Ratios and other information accompanying the financial statements and also according to the information and explanation given to us by the management about ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date (excluding uncertainty about Madhavpura Mercantile Coop Bank Limited which is covered in the Notes to accounts pera No. K (ii). We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

**(xx) In respect of CSR:**

According to the information and explanations provided, the company is not required to spend any amount on CSR activities during the current year;

**(xxi) In respect of Subsidiary, Associates or Joint Ventures;**

According to the information and explanations provided by the management, the company has no subsidiary, associates or joint venture and the company is not required to prepare Consolidated Financial Statements as per the section 129 of the Companies Act. Accordingly reporting under clause 3(xxii) is not applicable to the Company.

Place: Vadodara

Date: 21<sup>st</sup> August 2023

UDIN: 23044559BGUJPK6762



For, Sugnesh Mehta and Co.,  
Chartered Accountants  
FRN: 120348W

(Ca Sugnesh Mehta)  
Membership No. 044559



**"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT**

**ADITYA FORGE LIMITED for the year ended March 31, 2023**

*(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)*

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ADITYA FORGE LIMITED ("the Company") as of 31 March 2023 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I have conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.





### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Vadodara

Date: 21<sup>st</sup> August 2023

UDIN: 23044559BGUJPK6762



For, Sugnesh Mehta and Co.,  
Chartered Accountants  
FRN: 120348W

(Ca Sugnesh Mehta)  
Membership No. 044559

**ANNUAL ACCOUNTS**

**FY - 2022-23**

**of**

**ADITYA FORGE LIMITED**

**CIN L27100GJ1992PLC017196**

**PAN - AABCA7948P GST NO 24AABCA7948P1Z5**

**REGISTERED OFFICE**

**412-415, GIDC NOTIFIED AREA  
POR-RAMANGAMDI - POST POR  
DISTRICT VADODARA - GUJARAT - INDIA  
PIN 391243**

**AUDITOR**

**SUGNESH MEHTA & CO  
CHARTERED ACCOUNTANTS**

**FIRM REGN NO 120348W ---- MEMBERSHIP NO 044559**

**403, PARADISE COMPLEX,**

**SAYAJIGUNJ, VADODARA - 390020**

**Email: [sugneshmehta@yahoo.co.in](mailto:sugneshmehta@yahoo.co.in)**



**ADITYA FORGE LIMITED**  
Plot No 412-415, GIDC, Por Ramangarndi, POR - Vadodara - Gujarat - PIN 391243  
Balance Sheet as on 31 March, 2023

Sr. No.	Particulars	Note No.	As at	As at
			31 March, 2023	31 March, 2022
			Rs. In '00	Rs. In '00
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	1,56,865	1,65,332
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Financial Assets			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other Financial Assets		-	-
	(e) Other Non Current Assets - Capital Advances		-	-
	(f) Deferred Tax Assets (Net)	12	14,506	10,248
	<b>Total Non-current Assets</b>		<b>1,71,371</b>	<b>1,75,580</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	3	5,04,721	2,05,690
	(b) Financial Assets			
	(i) Investments	4	16,250	16,250
	(ii) Trade Receivables	5	95,310	48,389
	(iii) Cash and Cash equivalents	6	6,612	7,567
	(iv) Bank balances other than (iii) above		-	-
	(v) Loans and Advances	7	1,52,186	1,27,367
	(vi) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)			
	(d) Other Current Assets	8	1,25,287	85,210
	<b>Total Current Assets</b>		<b>9,00,366</b>	<b>4,90,473</b>
	<b>TOTAL ASSETS</b>		<b>10,71,738</b>	<b>6,66,053</b>
<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Equity</b>			
	(a) Equity Share Capital	9	4,30,860	4,30,860
	(b) Other Equity	10	(16,96,421)	(17,71,543)
	<b>Total Equity</b>		<b>(12,65,561)</b>	<b>(13,40,683)</b>
(2)	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	11	8,02,955	8,05,049
	(ii) Other Financial Liabilities			
	(b) Provisions			
	(c) Deferred Tax Liabilities (Net)	12	-	-
	(d) Other Non-current Liabilities			
	<b>Total Non-current Liabilities</b>		<b>8,02,955</b>	<b>8,05,049</b>
(3)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	13	2,91,705	3,07,054
	(ii) Trade Payables	14		
	a) total outstanding dues of Micro Enterprises and Small Enterprises		6,17,234	1,70,095
	b) total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		34,219	2,80,325
	(iii) Other Financial Liabilities			
	(b) Other Current Liabilities	15	5,61,214	4,15,786
	(c) Provisions	16	29,971	28,426
	(d) Current Tax Liabilities			
	<b>Total Current Liabilities</b>		<b>15,34,344</b>	<b>12,01,687</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,71,738</b>	<b>6,66,053</b>
	<b>CONTINGENT LIABILITIES</b>	17	<b>6,30,70,455</b>	<b>5,57,228</b>

Note: The accompanying notes referred to above which form an integral part of the financial statements.

As per our report of even date  
For, Sugesh Mehta & Co.  
Chartered Accountants  
Firm Reg. No.: 120348W

Sugesh Mehta  
Proprietor  
Membership No.: 044559  
UDIN:23044559BGUJPK6762  
Place : Vadodara  
Date : 21/08/2023



For and on behalf of the Board of Directors  
Aditya Forge Limited

Director  
(DIN: 00219664)

Place : Vadodara  
Date : 21/08/2023

Retha N Parekh.  
Director  
(DIN: 00219808)  
ADITYA FORGE LIMITED  
POR-VADODARA

**ADITYA FORGE LIMITED**

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

**Profit and Loss Statement for the year ended on 31 March, 2023**

Particulars	Note No.	For the Year ended 31st March 2023		For the Year ended 31st March 2022	
		Rs. In '00	Rs. In '00	Rs. In '00	Rs. In '00
1 Revenue from operations (net)	18	33,23,143		21,57,762	
2 Other income	19	2,283		11,194	
3 Total revenue (1+2)			33,25,427		21,68,956
4 Expenses					
(a) Cost of materials consumed	20	26,86,868		16,85,602	
(b) Purchases of stock-in-trade				-	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade Add/(less)	21	(1,43,890)		(21,139)	
(d) Excise duty		-		-	
(e) Employee benefits expense	22	3,21,473		76,416	
(f) Finance costs	23	79,926		36,767	
(g) Depreciation and amortisation expense	2	24,916		24,627	
(h) Other expenses	24	2,85,270		4,34,951	
5 Total expenses			32,54,563		22,37,223
6 Profit before exceptional and extraordinary items and tax (3-5)			70,864		-68,267
7 Exceptional Items					-
8 Profit before Extraordinary Items and Tax (6-7)			70,864		-68,267
9 Extraordinary Items			-		-
10 Profit / (Loss) before tax (8 + 9)			70,864		-68,267
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	12		4,258		4,219
12 Profit / (Loss) for the year (10 + 11)			75,122		-64,049
13 Other Comprehensive Income					-
14 Total Comprehensive Income for the period			75,122		-64,049
15 Earnings per share (of ₹ 10/- each):					
(a) Basic	25.a		2		-1
(b) Diluted	25.b		2		-1

Note: The accompanying notes referred to above which form an integral part of the financial statements.

As per our report of even date

For, Sugnesh Mehta & Co.  
Chartered Accountants  
Firm Reg. No.: 120348W



Sugnesh Mehta  
Membership No.: 044559  
UDIN: 23044559BGUJPK6762  
Place : Vadodara  
Date : 21/08/2023

For and on behalf of the Board of Directors  
Aditya Forge Limited

*[Signature]*  
Director  
(DIN: 00219664)

*[Signature]*  
Recha N Paley  
Director  
(DIN: 00219802)

Place : Vadodara  
Date : 21/08/2023





**ADITYA FORGE LIMITED**  
Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243  
Cash Flow Statement for the year ended on 31st March, 2023


Particulars	2022-2023 Rs. In '00	2021-2022 Rs. In '00
<b>A) Cash Flow from Operating Activities:</b>		
Profit / (Loss) for the year before Tax	70,864	(68,267)
Adjustments for;		
Net Increase and Decrease in Accumulated Depreciation	24,916	24,627
Interest Paid (Net)	79,926	36,767
Miscellaneous Expd. W-off ( Incl Defferred Revenue Expd.)	-	-
Less : Tax Adjustments For Prior Year/FBT/DTL	-	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>1,75,706</b>	<b>(6,874)</b>
Adjustments for;		
Add : Decrease in Sundry Debtors	-	-
Add : Increase in Current Liabilites	3,32,657	1,37,419
Add : Decrease in Current Assets	-	20,793
Add : Decrease in Loans and Advances	-	-
Add : Decrease in Inventory	-	-
Less : Decrease in Current Liabilites	-	-
Less : Increase in Loans and Advances	24,819	20,175
Less : Increase in Inventory	2,99,031	58,641
Less : Increase in Sundry Debtors	46,921	8,483
Less : Increase in Current Assets	40,077	-
<b>Cash Generated from Operations.</b>	<b>(78,192)</b>	<b>70,913</b>
Less : Interest Paid	79,926	36,767
<b>Cash flow before extraordinary item</b>	<b>17,588</b>	<b>27,272</b>
<b>Net Cash Generated from (used) in Operating Activities (A)</b>	<b>17,588</b>	<b>27,272</b>
<b>B) Cash Flow from Investing Activities:</b>		
Less : Purchase or Investment in Fixed Assets ( Net )	16,959	16,737
Add : Sale of Investment / Fixed Assets (Net)	510	-
Add : Reduction in Advance against Capital Goods	-	-
Less : Increase in Advance against Capital Goods	-	-
Add : Decrease in Investment	-	-
<b>Net Cash Generated from (used) in investing activities (B)</b>	<b>(16,449)</b>	<b>(16,737)</b>
<b>C) Cash Flow from Financial Activities:</b>		
Add: Proceeds from Long term borrowings	-	-
Add: Proceeds from Short term borrowings	-	-
Less : Repayment of long term borrowings	2,094	5,126
Less : Repayment of Short term borrowings	-	-
<b>Net Cash Generated ( Used ) in Financing Activities (C)</b>	<b>(2,094)</b>	<b>(5,126)</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(956)</b>	<b>5,410</b>
Cash and Cash Equivalents at the Beginning of the Period	<b>7,567</b>	<b>2,157</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>6,612</b>	<b>7,567</b>

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

See accompanying notes forming part of the financial statements


For, Sugnesh Mehta & Co.  
Chartered Accountants  
Firm Reg. No.: 120348W

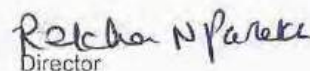


  
Sugnesh Mehta  
Proprietor

Membership No.: 044559  
Place : Vadodara  
Date : 21/08/2023

For and on behalf of the Board of Directors  
Aditya Forge Limited

  
Director

  
Director

Place : Vadodara  
Date : 21/08/2023



**ADITYA FORGE LIMITED**

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

Note 2 :

Notes forming part of the Financial Statements

**A. Property, Plant and Equipment :**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1/4/2022	Additions ₹	Ded. / Adj. ₹	As at 31/03/2023	As at 1/4/2022	Additions ₹	Deduction ₹	As at 31/03/2023	31/03/2023 ₹	31/03/2022 ₹
<b>(i) Tangible Assets :</b>										
Land	30,901	-	-	30,901	-	-	-	-	30,901	30,901
Building	3,14,577	4,086	-	3,18,663	2,40,365	8,092	-	2,48,457	70,206	74,212
Furniture & Fixture	23,376			23,376	20,379	667		21,046	2,330	2,997
Electrical Installation	77,762			77,762	71,904	636		72,541	5,221	5,857
Office Equipments	22,779	960		23,739	21,088	446		21,534	2,206	1,691
Computer & Software*	21,413	325		21,738	18,227	3,037		21,264	474	3,186
Vehicles	18,613	-	11,963	6,650	17,148	-	11,453	5,695	955	1,465
Dies & Jigs	2,80,058	4,370		2,84,428	2,54,509	6,534		2,61,043	23,385	25,548
Lab & Quality Control Equipment	9,779	715		10,495	8,599	370		8,969	1,526	1,180
Plant & Machinery	3,32,827	6,502		3,39,330	3,14,535	5,134		3,19,669	19,661	18,292
<b>Total</b>	<b>11,32,085</b>	<b>16,959</b>	<b>11,963</b>	<b>11,37,081</b>	<b>9,66,754</b>	<b>24,916</b>	<b>11,453</b>	<b>9,80,216</b>	<b>1,56,865</b>	<b>1,65,332</b>
<b>Previous Year 2021-22</b>	<b>11,15,349</b>	<b>16,737</b>	<b>-</b>	<b>11,32,085</b>	<b>9,42,127</b>	<b>24,627</b>	<b>-</b>	<b>9,66,754</b>	<b>1,65,332</b>	<b>1,73,222</b>

**b. Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	₹	₹
Depreciation and amortisation for	24,916	24,627
Less: Utilised from	-	-
Depreciation and amortisation	<u>24,916</u>	<u>24,627</u>





## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

### Notes forming part of the Financial Statements

Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
<b>Note 3 Inventories :</b> (As certified by the Management) (Valued at cost)		
(a) Finished Goods	1,31,209	51,498
(b) Scrap	1,839	9,677
(c) Consumables	969	1,095
(d) Raw Material	2,74,777	1,19,635
(e) Work In Progress	95,927	23,784
<b>Total</b>	<b>5,04,721</b>	<b>2,05,690</b>
<b>Note 4 Investments</b>		
(a) Madhavpura Mercantile Co-op Bank Ltd. (16,250 shares @ Rs.100 each)	16,250	16,250
(b) Baroda City Co-op Banl Ltd (660 shares @ Rs.10 each)		-
<b>Total</b>	<b>16,250</b>	<b>16,250</b>
<b>Note 5 Trade Receivables :</b>		
a) Secured, considered good		
(i) Undisputed Trade Receivables- considered Good		
- Less than 6 Months	61,379	13,850
- 6 Months - 1 Years	28,173	
- 1 Year - 2 Years		28,781
- 2 Years- 3 Years		
- More than 3 years		
(ii) Undisputed Trade Receivables- considered doubtful		
(iii) Disputed Trade Receivables- considered good		
(iv) Disputed Trade Receivables- considered Doubtful	5,758	5,758
Unsecured, considered good		
Doubtful		
<b>Total</b>	<b>95,310</b>	<b>48,389</b>
<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 6 Cash and cash equivalents :</b>		
(a) Cash on hand	3,598	306
(b) Balances with banks		
(i) In current accounts	3,014	7,261
<b>Total</b>	<b>6,612</b>	<b>7,567</b>



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

### Notes forming part of the Financial Statements

Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
<b>Note 7 Loans and Advances:</b>		
(a) Security deposits		
Unsecured, considered good	15,211	15,311
Doubtful	-	-
	15,211	15,311
Less: Provision for doubtful deposits	-	-
	15,211	15,311
(b) Advances to Suppliers		
Unsecured, considered good	1,21,625	93,843
Doubtful	-	-
	1,21,625	93,843
Less: Provision for doubtful loans and advances	-	-
	1,21,625	93,843
(c) Other advances		
Secured, considered good	-	-
Unsecured, considered good	15,350	18,213
MEIS/Duty Drawback Receivable	-	-
	15,350	18,213
Less: Provision for other doubtful loans and advances	-	-
	15,350	18,213
<b>Total</b>	<b>1,52,186</b>	<b>1,27,367</b>
<b>Note:</b>		
(i) 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>Note 8 Other Current Assets:</b>		
(a) Prepaid expenses		
Advance Expenses Paid	1,049	1,196
	1,049	1,196
(b) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT Receivable	-	-
(ii) VAT Receivable	-	-
(iii) Income Tax Assessment Deposit	6,644	6,644
(iv) MAT Deposit Receivable	7,428	7,428
(v) TDS Receivable	22,922	26,686
(vi) Advance Income Tax (TDS)	8,805	-
(vii) Income Tax Refund	1,305	1,305
(viii) GST Receivable	44,634	8,933
(ix) IGST Receivable on export Sales	0	-
(x) Duty drawback receivable	-	-
(xi) MEIS Available for sales	-	-
	91,738	50,995
(c) The company has opted for OTS scheme of MMCBL. The company paid @ 5% of OTS amount	32,500	32,500
(d) Interest receivable		519
<b>Total</b>	<b>1,25,287</b>	<b>85,210</b>



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	₹	No. of shares	₹
<b>Note 9 Share capital :</b>				
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	60,000	<u>6,00,000</u>	60,000	<u>6,00,000</u>
(b) Issued , Subscribed & Fully paid up				
Equity shares of ₹ 10 each with voting rights	43,086	4,30,860	43,086	4,30,860
<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	43,086	4,30,860	43,086	4,30,860
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	43,086	<u>4,30,860</u>	43,086	<u>4,30,860</u>
<b>Total</b>		<u><u>4,30,860</u></u>		<u><u>4,30,860</u></u>
(ii) Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
(a) Nitin Parekh	11,204	1,12,040	11,204	1,12,040





**ADITYA FORGE LIMITED**

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

**Notes forming part of the Financial Statements**

Particulars	As at	As at
	31 March, 2023	31 March, 2022
	₹	₹
<b>Note 10 Other Equity :</b>		
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(17,71,543)	(17,07,495)
Add: Profit / (Loss) for the year	75,122	(64,049)
Amounts allocated / transferred from / to:	-	-
Closing balance	<u>(16,96,421)</u>	<u>(17,71,543)</u>
<b>Note 11 Borrowings :</b>		
(a) Term loans		
From banks		
Secured	8,02,955	8,02,955
Unsecured	-	-
	<u>8,02,955</u>	<u>8,02,955</u>
From other parties		
Secured	-	2,094
Unsecured	-	-
	<u>-</u>	<u>2,094</u>
<b>Total</b>	<u><u>8,02,955</u></u>	<u><u>8,05,049</u></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	As at
			31 March, 2023	31 March, 2022
			Secured	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	2,05,951	2,05,951
Madhavpura Mercantile Co-op Bank Ltd(Term Loan)*	As per Original Sanction :Monthly Repayment	Secured against Hypothecation of Plant and Machinery	3,07,122	3,07,122
Madhavpura Mercantile Co-op Bank Ltd (CC)*	* As per note below	First exclusive charge on the entire Current Assets for the Company	2,89,882	2,89,882
Kotak Mahindra Prime Ltd. (Vehicle Loan)	As per Original Sanction :Monthly Repayment			806
Kotak Mahindra Prime Ltd. (Top Up)				1,288
			<u>8,02,955</u>	<u>8,05,049</u>

\* 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.

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





## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

### Notes forming part of the Financial Statements

Note	Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
Note 12	Deferred tax (liability) / asset :	10,248	6,029
	<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	16,377	16,226
	Tax effect of items constituting deferred tax assets	4,258	4,219
	<b>Net deferred tax (liability) / asset</b>	<b>14,506</b>	<b>10,248</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.



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
<b>Note 13 Borrowings :</b>		
<b>(a) Loans and advances from related parties</b>		
Secured		-
Unsecured	2,91,705	3,07,054
<b>(b) From bank</b>		
Secured		
Unsecured		-
<b>(c) From others</b>		
Secured		
Unsecured		-
<b>Total</b>	<b>2,91,705</b>	<b>3,07,054</b>
<b>Note 13.a for Loans and advances from related parties</b>		
Particulars	Nature of security	
<b>(i) Loans and advances from related parties:</b>		
Nitin Rasiklal Parekh	Unsecured	1,12,210.00
Rekhaben Parekh	Unsecured	83,737.50
Nitin Rasiklal Parekh (HUF)	Unsecured	53,440.90
Hemantkumar Vithaldas Chokshi	Unsecured	5,000.00
Bhavna Desai	Unsecured	2,500.00
Parinda Rajiv Anjaria	Unsecured	7,200.00
R M Kanani Co	Unsecured	27,617.03
Harilal & Sons	Unsecured	27,617.03
<b>Total - Loans and advances from related parties</b>		<b>2,91,705.43</b>
<b>Note 14 Trade payables :</b>		
<b>Trade payables:</b>		
Acceptances		
<b>(i) MSME</b>		
- Less than 1 year	6,17,234	1,70,095
- 1 year to 2 years		
- 2 year to 3 years		
- More Than 3 years		
<b>(ii) Others</b>		
- Less than 1 year	8,000	2,51,332
- 1 year to 2 years	26,219	28,994
- 2 year to 3 years		
- More Than 3 years		
<b>(iii) Disputed dues from MSME</b>		
<b>(iv) Disputed dues from Others</b>		
<b>Other than Acceptances</b>		
<b>Total</b>	<b>6,51,454</b>	<b>4,50,420</b>
<b>Note 15 Other current liabilities :</b>		
<b>(a) Other payables</b>		
(i) Statutory remittances (Contributions to PF & ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	1,69,730	1,43,984
(ii) Advances from Customers	3,91,234	2,71,552
(iii) Other Current Liabilities	250	250
<b>Total</b>	<b>5,61,214</b>	<b>4,15,786</b>
<b>Note 16 Provisions</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Salary & Wages	23,297	24,287
<b>(b) Provision - Others:</b>		
(i) Provision for Current tax		-
(ii) Provision for expenses	6,674	4,140
(iii) Director remuneration		-
(iv) Auditor remuneration		-
<b>Total</b>	<b>29,971</b>	<b>28,426</b>



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

### Notes forming part of the Financial Statements

Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
<b>Note 17 Contingent Liabilities :</b>		
(a) On Failure of OTS woth Madhavpura Mercantile Co Operative Bank Ltd	4,47,078	4,47,078
(b) Income tax demand outstanding for the Financial Year 2011-12, for which the company has filed an appeal.	-	-
(c) Excise demand outstanding for the Financial Year 2013-14 for which the company has filed an appeal.	36,102	36,102
(d) Income tax demand outstanding for the Financial Year 2012-13 , 2013-14 & 2014-15 for which the company has filed an appeal.	74,048	74,048
Total	<u>5,57,228</u>	<u>5,57,228</u>





# ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243  
Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2023 ₹	For the year ended 31 March, 2022 ₹
<b>Note 18 Revenue from operations :</b>		
(a) Sale of products @ (Refer Note (i) below)	31,76,178	21,22,500
(b) Sale of services @ (Refer Note (ii) below)	1,13,051	35,262
(c) Others @ (Refer Note (iii) below)	33,913	-
<b>Total</b>	<b>33,23,143</b>	<b>21,57,762</b>
<b>Notes:</b>		
(i) Sale of products comprises :		
(As per Note 21 Additional Information to Financial Statements)		
(a) Domestic Sales	30,90,502	21,22,500
(b) Export Sales	85,677	
(ii) Sale of Services comprises :		
(a) Jobwork Income	1,13,051	35,262
(iii) Other Income from Operation	33,913	-
<b>Note 19 Other income :</b>		
(a) Interest income (Refer Note (i) below)		690
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	2,283	10,504
<b>Total</b>	<b>2,283</b>	<b>11,194</b>
<b>Notes:</b>		
(i) Interest income comprises:		
Other interest		690
<b>Total</b>	<b>-</b>	<b>690</b>
(ii) Other Income	917	9,986
(iii) Profit/Loss on sale of assets	1,366	-
(iv) Applicable net gain/loss on foreign currency transactions and translation		518
<b>Total</b>	<b>2,283</b>	<b>10,504</b>



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March. 2023 ₹	For the year ended 31 March. 2022 ₹
-------------	--	--

### Note 20 Cost of materials consumed :

Opening stock	1,19,635	82,133
Add: Purchases	28,42,009	17,23,104
	29,61,645	18,05,237
Less: Closing stock	2,74,777	1,19,635
<b>Cost of material consumed</b>	<b>26,86,868</b>	<b>16,85,602</b>

Material consumed comprises:(Under Broad Head) :  
(As per Note 32 Additional information to Financial Statements)

### Note 21 Changes in inventories of finished goods, work-in-progress and stock-in-trade :

#### Inventories at the end of the year:

Finished goods	1,31,209	51,498
Scrap	1,839	9,677
Consumables	969	1,095
Work in progress	95,927	23,784
	2,29,944	86,054

#### Inventories at the beginning of the year:

Finished goods	51,498	48,903
Scrap	9,677	4,334
Consumables	1,095	1,770
Work in progress	23,784	9,909
	86,054	64,916

**Net (increase) / decrease**

	<b>(1,43,890)</b>	<b>-21,139</b>
--	-------------------	----------------

### Note 22 Employee benefits expense :

Salaries,Wages & Bonus	2,40,201	57,438
Contributions to provident and other funds		4,556
Director Remuneration	12,000	12,000
Staff welfare expenses	69,272	2,422
<b>Total</b>	<b>3,21,473</b>	<b>76,416</b>

### Note 23 Finance Cost :

(a) Interest expense on:		
(i) Borrowings MMCB	337	-
(ii) Others		
- Bank	182	664
- Interest on VAT/Service Tax/Others	-	1,788
- Others	1,092	30,559
(b) Other (Bank Charges & Commission) costs	78,315	3,756
<b>Total</b>	<b>79,926</b>	<b>36,767</b>



## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

Notes forming part of the Financial Statements

Particulars	For the year ended	For the year ended
	31st March, 2023	31st March, 2022
	₹	₹
<b>Note 24 Other expenses :</b>		
Manufacturing & Others	1,75,466	3,45,627
Selling & Distribution Exps.	24,657	10,269
Administrative Exps.	85,147	79,055
Auditor's Remuneration		
<b>Total</b>	<b>2,85,270</b>	<b>4,34,951</b>
Administrative Exps.	81,409	71,983
Selling & Distribution Exps.	24,657	10,269
Manufacturing & Others	97,280	94,052
Electricity Charges	66,868	62,289
Freight and Insurance (Import)	2735.1927	
Rates & Taxes	5,145	5,123
Misc. Exps	510	160
Penalty		1,000
Foreign Exchange Exp	-	-
Prior period expenses	3,228	5,912
Auditor's Remuneration		
Profit/Loss on Sale of Assets	-	-
Direct wages		1,84,163
Import expense	-	-
Loading and Unloading charges	-	-
Packing and Forwarding charges	-	-
Capital Exp	-	-
Factory Licence Expense	3437.89	
<b>Total</b>	<b>2,85,270</b>	<b>4,34,951</b>





## ADITYA FORGE LIMITED

Plot No 412-415, GIDC, Por Ramangamdi, POR - Vadodara - Gujarat - PIN 391243

### Notes forming part of the Financial Statements

Note	Particulars	As at 31 March, 2023 ₹	As at 31 March, 2022 ₹
<b>Note 25</b>	<b>Earnings per share :</b>		
25.a	<b>Basic</b>		
	Net profit / (loss) for the year	75,122	(64,049)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	75,122	(64,049)
	Weighted average number of equity shares	43,086	43,086
	Par value per share	10	10
	Earnings per share - Basic	1.74	(1.49)
25.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 extent		
	Net profit / (loss) for the year	75,122	(64,049)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	75,122	(64,049)
	Add: Interest exp. and exchange fluctuation on convertible bonds (net)		-
	Profit / (loss) attributable to equity shareholders (on dilution)	75,122	(64,049)
	Weighted average number of equity shares for Basic EPS	43,086	43,086
	Add: Effect of warrants, ESOPs & Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	43,086	43,086
	Par value per share	10	10
	Earnings per share - Diluted	1.74	(1.49)



**1.1 CORPORATE INFORMATION**

Aditya Forge Limited is a listed Limited Company engaged in the business of Manufacturing and Trading of Forged Flanges, Fittings, and ancillary items. The Company is having limitations of banking facilities. Hence the Company's major sales is through a merchant exporter.

**1.2 BASIS OF PREPARATION****i. Compliance with Indian Accounting Standards**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

**ii. Historical cost convention**

The financial statements have been prepared on a historical cost basis.

**iii. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency, and all values are rounded to the nearest hundred Rupees, except otherwise indicated.

**iv. Composition of Financial Statements**

The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Notes to Financial Statements

**1.3 SIGNIFICANT ACCOUNTING POLICIES****A. Property, Plant and Equipment:****i. Recognition and measurement**

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.





If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation**

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Written Down Value Method. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**B. Impairment:****i. Non - financial assets**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

**C. Inventories:**

Company follows the practice of charging to revenue, the cost of various inventories, on actual consumption basis. Inventories are valued at lower of cost or net realizable value.

**D. Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise Cash on hand, Cash at banks and Cheques in Hand.

**E. Foreign Currency Translation:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Indian Rupee (INR) is the functional and presentation currency of the Company.

**F. Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the



consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

**G. Employee benefits:****a) Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

**b) Post-employment Benefits:****(i) Defined contribution plans**

Defined contribution plans are Provident Fund Scheme administered by Government for eligible employees. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans**

The Company is required to provide for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities about the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method. However, the Company has opted to follow Cash system of accounting of Gratuity. The Company has neither obtained actuarial valuation of the present value of Gratuity liability nor opted for Insurance coverage of such liabilities. Hence liability for Gratuity is not quantified and provided for. To that extent it shall be contingent liabilities.

**(iii) Compensated Absences:**

Entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is not defined benefit obligation and is not treated as long term in nature in terms of the policies of the Company for the same. The value of obligation towards the same is not provided for based on actuarial valuation using projected unit credit method as at the balance sheet date. To that extent it shall be contingent liabilities.

**(iv) Terminal Benefits**

All terminal benefits are recognized as an expense in the period in which they are incurred.





**H. Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**I. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which the assets are sold or written off.

**J. Income tax:****Current Income Tax**

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. Due to carried forward losses of preceding years Current year income tax liability shall be NIL as current year's taxable profit shall be adjusted against carried forwarded losses and unabsorbed depreciation.

**Deferred Tax**

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 reflect 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 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.

**K. Provisions and Contingencies:****i. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually





certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## ii. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

The Company has preferred an Appeal before Commissioner of Income Tax (Appeal-I), Baroda for Financial Year 2012-13, 2013-14 & 2014-15 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.

The Banker Madhavpura Mercantile Co-operative Bank Ltd (The MNCB Ltd) has gone into liquidation. The MNCB Ltd had offered the settlement under OTS for an amount of Rs. 6.21 Crores (against outstanding of the Term Loan facility amounting to Rs. 5.13 Cr. and Cash Credit facility of Rs. 2.90 Cr Plus due interest from FY 2006 / disputable charges). The matter is under re-consideration by the bank. The Company Management has shown for willingness to settle the dues as outstanding of Rs. 4.75 Crores on NPA Date i.e. 31.03.1999. 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. The MNCB Ltd had issued last communication dated 12<sup>th</sup> March 2021 wherein the MNCB Ltd has offered for a settlement at Rs.7.56 Crores + interest @8% from 01<sup>st</sup> February 2021 till date of payment if made within mutually agreed period. However, the Company has responded to the same to settle the dues for an amount of Rs. 500 Lakhs. To the extent of difference of dues plus un-provided interest the Losses are under stated. The portion of un-provided interest Liability shall stand as contingent liability.

As explained hereinabove at H.b. (ii) and (iii) on the contingent liabilities shall be there with respect to Gratuity, Leave Salary, and Termination benefits.

## L. Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.





**Aditya Forge Limited**

Notes forming part of Financial Statements for the year 2022-23

- b) For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**1.4 Significant Accounting Judgments, Estimates and Assumptions**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively unless they are required to be treated retrospectively under relevant accounting standards.

**Note: 26 RELATED PARTY DISCLOSURES**

	Company / Firm in which KMP / Relatives of KMP can exercise significant influence			
1	Unsecured Loan received	Nitin Rasiklal Parekh (HUF)	150000	NIL
	Unsecured Loan (paid)	Nitin Rasiklal Parekh (HUF)	(625000)	(607000)
	Unsecured Loan (paid)	Nitin Rasiklal Parekh	(839882)	(1158000)
	Unsecured Loan received	Nitin Rasiklal Parekh	NIL	700000
	Unsecured Loan (paid)	Rekha Nitin Parekh	(220000)	(100000)
	Unsecured Loan received	Rekha Nitin Parekh	NIL	20000
2	Sale of Goods and Services	Renin Piping Products	21384602	223642547
3	Remuneration	Nitin Parekh	1200000	NIL
4	Consumable Purchases	Harilal & sons	NIL	NIL
5	Professional Fees	Aditya Parekh	120000	120000

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
c.	<b>Outstanding Balances</b>		
1	<b>Unsecured loan payable</b>		
	<b>Key Managerial Personnel</b>		
	Mr. Nitin Rasiklal Parekh	1,12,21,000	1,20,60,882
	<b>Relatives of Key Managerial Personnel/Directors</b>		
	Mrs. Rekhaben N. Parekh	83,73,750	85,93,750
	<b>Company / Firm in which KMP / Relatives of KMP can exercise significant influence</b>		
	Nitin Rasiklal Parekh (HUF)	53,44,090	58,19,090
	<b>Creditors</b>		
	Harilal & Sons (Agencies)	68,971	68,971
	Sun Precision cast Pvt. Ltd. (Adv against supplies)	5,00,000	5,00,000
	<b>Debtors</b>		
	NIL		





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

### Note: 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

#### A. Contingent Liabilities and Capital Commitments

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A.</b>	<b>Contingent Liabilities and Capital Commitments</b>		
(a)	On failure of OTS with Madhavpura Mercantile	5,00,72,711	4,47,07,778
(b)	Excise demand outstanding for the Financial Year 2013-14 for which the company has filed an appeal.	42,60,045	36,10,204
(c)	Income tax demand outstanding for the Financial Year 2012-13, 2013-14 & 2014-15 for which the company has filed an appeal.	87,37,699	74,04,830
<b>B.</b>	<b>Auditor's Remuneration</b>		
	As Audit Fees	1,00,000	1,00,000
	Taxation Matters	75,000	50,000
	In other Capacity	--	--
	Re-imbusement of expenses	--	--

#### B. Fair Value Measurements

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments	--	--	--	--	--	--
Trade receivables	--	--	95.31	--	--	49.94
Cash and Cash equivalents	--	--	6.61	--	--	7.57
Other Bank balances	--	--	--	--	--	--
Loans	--	--	63.06	--	--	66.54
Other Financial assets	--	--	--	--	--	--
<b>Total Financial Assets</b>	--	--	<b>164.98</b>	--	--	<b>124.05</b>
<b>Financial Liabilities</b>						
Borrowings	--	--	1094.66	--	--	1112.1
Other current financial liabilities	--	--	--	--	--	--
Trade Payables	--	--	651.45	--	--	450.42
<b>Total Financial Liabilities</b>	--	--	<b>1746.11</b>	--	--	<b>1562.52</b>





**(i) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy.

The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

**C. Financial Risk Management**

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
	<p>The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.</p> <p>The Company's risk management policies are established to identify, and the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.</p>		
<b>A.</b>	<p><b>Credit Risk</b></p> <p>Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, trade receivables, cash and cash equivalents, loans, and other financial assets. The Company's credit risk is minimized as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.</p>		
	Investment	16,25,000	16,25,000
	Trade receivables	95,31,030	49,94,227
	Cash and Cash equivalents	6,61,155	7,56,711
	Loans	63,06,110	66,54,309
	Other Financial Assets	--	--
<b>B.</b>	<p><b>Liquidity Risk</b></p> <p>Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.</p>		
	<p><b>(i) Maturities of financial liabilities</b></p> <p>The tables herewith analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:</p>		





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

	The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.			
	<b>Contractual maturities of financial liabilities</b>			
Sr. No.	Particulars	Less than 1 year	More than 1 year	Total
	<b>As at March 31, 2023</b>			
	<b>Non-derivatives</b>			
	Borrowings	2,91,70,543	8,02,95,476	10,94,66,019
	Trade payables	6,51,45,351	--	6,51,45,351
	Other financial liabilities	--	--	--
	<b>Total Non-derivative liabilities</b>	<b>9,43,15,894</b>	<b>8,02,95,476</b>	<b>17,46,11,370</b>
	Note: Considering MNCB OTS, Borrowing of MNCB is considered maturing after One Year			
	<b>As at March 31, 2022</b>			
	<b>Non-derivatives</b>			
	Borrowings	3,07,05,425	8,05,04,910	11,12,10,336
	Trade payables	4,50,42,031	--	4,50,42,031
	Other financial liabilities	--	--	--
	<b>Total Non-derivative liabilities</b>	<b>7,57,47,456</b>	<b>8,05,04,910</b>	<b>15,62,52,366</b>

<b>C</b>	<p><b>Market Risk</b></p> <p><b>(i) Price Risk</b></p> <p>The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. The above instruments risks are arisen due to uncertainties about the future market values of these investments.</p> <p><b>Management Policy</b></p> <p>The Company maintains its portfolio in accordance with the framework set by the Risk management Policies. Any new investment or divestment must be approved by the board of directors, chief financial officer and Risk Management committee.</p> <p><b>(ii) Currency Risk</b></p> <p>The Company has significant Exposure for Export's revenue and import of raw material and Property, Plant and Equipment so the company is subject to risk that changes in foreign currency value impact.</p>
----------	---

### Note 28: CAPITAL MANAGEMENT

#### Risk Management

For the company's capital management, equity includes equity share capital, and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimize returns to the shareholders and adjusts it considering changes in economic conditions and business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios to support its business and provide adequate return





**Aditya Forge Limited****Notes forming part of Financial Statements for the year 2022-23**

to shareholders through continuing growth and maximize the shareholders' value. The management and Board of Directors monitor the return on capital.

**Note 29: Disclosure related to Micro, Small & Medium Enterprises.**

Micro, Small & Medium Enterprise has been identified based on information available with the Company. As per explanation given by the Company, they have 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 at the yearend together with interest payable as required under the said act has not been given. The Auditors of the Company has relied on the explanation.

**Note 30:****Note 31: PREVIOUS YEAR'S FIGURES:**

The figures as on the transition date and previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

**Note 32: OTHER INFORMATION****1. Sale of Product Comprises: (Under Broad Head):****Manufactured Goods:**

Finished Goods	2022-23	2021-22
	₹	₹
Flanges	31,76,17,844	21,22,49,986
Fittings	NIL	NIL
<b>Total</b>	<b>31,76,17,844</b>	<b>21,22,49,986</b>

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

Raw Material	2022-23	2021-22
	₹	₹
Opening Stock	1,19,63,539	82,13,276
Add: Purchase of Raw Materials	0.00	17,23,10,419
Less: Closing Stock	1,19,63,539	1,19,63,539
<b>Total</b>	<b>0.00</b>	<b>16,85,60,156</b>

**3. Expenses in Foreign currency during the year on Account of:**

Particulars	2022-23 – IN ₹	2021-22 – IN ₹
a) Royalty	NIL	NIL
b) Know-how	NIL	NIL
Professional Consultation	NIL	NIL





**Aditya Forge Limited****Notes forming part of Financial Statements for the year 2022-23**

d) Interest/Foreign Bank Charges	492	24,879
e) foreign tour	2,87,615	1,15,574
f) Commission on Exports	NIL	NIL
g) Material propaganda	NIL	NIL

## 4. Amount remitted during year on account of:

Particulars	2022-23	2021-22
a) Dividend	NIL	NIL

## 5. Value of Imports on CIF basis during the year in respect of:

Particulars	2022-23	2021-22
a) Raw Materials	NIL	NIL
b) Stores and Spares	NIL	NIL
c) Capital Goods	NIL	NIL
d) Other (Please specify)	NIL	NIL

## 6. Earning in Foreign Exchange Under:

Particulars	2022-23	2021-22
e) Export of Goods (F.O.B. basis)	85,67,662	NIL
f) Royalty, know how, professional & consultation fees	NIL	NIL
g) Interest and Dividend	NIL	NIL
h) Other Income	33,91,348	NIL

**Notes forming Part of Financial Statements 1 to 32:-**

For, Sugnesh Mehta & Co.,		For and on behalf of the Board of Directors
Chartered Accountants		Aditya Forge Limited
Firm Regn No.120348W		
Sugnesh Mehta		Nitin Parekh
Proprietor		Mg Director
Membership No.044559		(DIN: 00219664)
Place: Vadodara		Place: Vadodara
Date:21/08/2023		Date:21/08/2023



*Nitin Parekh*

*Rekha N Parekh*



**1.1 CORPORATE INFORMATION**

Aditya Forge Limited is a listed Limited Company engaged in the business of Manufacturing and Trading of Forged Flanges, Fittings, and ancillary items. The Company is having limitations of banking facilities. Hence the Company's major sales is through a merchant exporter.

**1.2 BASIS OF PREPARATION**

**i. Compliance with Indian Accounting Standards**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

**ii. Historical cost convention**

The financial statements have been prepared on a historical cost basis.

**iii. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency, and all values are rounded to the nearest hundred Rupees, except otherwise indicated.

**iv. Composition of Financial Statements**

The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Notes to Financial Statements

**1.3 SIGNIFICANT ACCOUNTING POLICIES**

**A. Property, Plant and Equipment:**

**i. Recognition and measurement**

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.





If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation**

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Written Down Value Method. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**B. Impairment:****i. Non - financial assets**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

**C. Inventories:**

Company follows the practice of charging to revenue, the cost of various inventories, on actual consumption basis. Inventories are valued at lower of cost or net realizable value.

**D. Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise Cash on hand, Cash at banks and Cheques in Hand.

**E. Foreign Currency Translation:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Indian Rupee (INR) is the functional and presentation currency of the Company.

**F. Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the



consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

**G. Employee benefits:**

**a) Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

**b) Post-employment Benefits:**

**(i) Defined contribution plans**

Defined contribution plans are Provident Fund Scheme administered by Government for eligible employees. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans**

The Company is required to provide for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities about the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method. However, the Company has opted to follow Cash system of accounting of Gratuity. The Company has neither obtained actuarial valuation of the present value of Gratuity liability nor opted for Insurance coverage of such liabilities. Hence liability for Gratuity is not quantified and provided for. To that extent it shall be contingent liabilities.

**(iii) Compensated Absences:**

Entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is not defined benefit obligation and is not treated as long term in nature in terms of the policies of the Company for the same. The value of obligation towards the same is not provided for based on actuarial valuation using projected unit credit method as at the balance sheet date. To that extent it shall be contingent liabilities.

**(iv) Terminal Benefits**

All terminal benefits are recognized as an expense in the period in which they are incurred.





**H. Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**I. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which the assets are sold or written off.

**J. Income tax:****Current Income Tax**

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. Due to carried forward losses of preceding years Current year income tax liability shall be NIL as current year's taxable profit shall be adjusted against carried forwarded losses and unabsorbed depreciation.

**Deferred Tax**

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 reflect 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 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.

**K. Provisions and Contingencies:****i. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually





certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## ii. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

The Company has preferred an Appeal before Commissioner of Income Tax (Appeal-I), Baroda for Financial Year 2012-13, 2013-14 & 2014-15 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.

The Banker Madhavpura Mercantile Co-operative Bank Ltd (The MNCB Ltd) has gone into liquidation. The MNCB Ltd had offered the settlement under OTS for an amount of Rs. 6.21 Crores (against outstanding of the Term Loan facility amounting to Rs. 5.13 Cr. and Cash Credit facility of Rs. 2.90 Cr Plus due interest from FY 2006 / disputable charges). The matter is under re-consideration by the bank. The Company Management has shown for willingness to settle the dues as outstanding of Rs. 4.75 Crores on NPA Date i.e. 31.03.1999. 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. The MNCB Ltd had issued last communication dated 12<sup>th</sup> March 2021 wherein the MNCB Ltd has offered for a settlement at Rs.7.56 Crores + interest @8% from 01<sup>st</sup> February 2021 till date of payment if made within mutually agreed period. However, the Company has responded to the same to settle the dues for an amount of Rs. 500 Lakhs. To the extent of difference of dues plus un-provided interest the Losses are under stated. The portion of un-provided interest Liability shall stand as contingent liability.

As explained hereinabove at H.b. (ii) and (iii) on the contingent liabilities shall be there with respect to Gratuity, Leave Salary, and Termination benefits.

## L. Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

- b) For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### 1.4 Significant Accounting Judgments, Estimates and Assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively unless they are required to be treated retrospectively under relevant accounting standards.

### Note: 26 RELATED PARTY DISCLOSURES

	Company / Firm in which KMP / Relatives of KMP can exercise significant influence			
1	Unsecured Loan received	Nitin Rasiklal Parekh (HUF)	150000	NIL
	Unsecured Loan (paid)	Nitin Rasiklal Parekh (HUF)	(625000)	(607000)
	Unsecured Loan (paid)	Nitin Rasiklal Parekh	(839882)	(1158000)
	Unsecured Loan received	Nitin Rasiklal Parekh	NIL	700000
	Unsecured Loan (paid)	Rekha Nitin Parekh	(220000)	(100000)
	Unsecured Loan received	Rekha Nitin Parekh	NIL	20000
2	Sale of Goods and Services	Renin Piping Products	21384602	223642547
3	Remuneration	Nitin Parekh	1200000	NIL
4	Consumable Purchases	Harilal & sons	NIL	NIL
5	Professional Fees	Aditya Parekh	120000	120000

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
c.	<b>Outstanding Balances</b>		
1	<b>Unsecured loan payable</b>		
	<b>Key Managerial Personnel</b>		
	Mr. Nitin Rasiklal Parekh	1,12,21,000	1,20,60,882
	<b>Relatives of Key Managerial Personnel/Directors</b>		
	Mrs. Rekhaben N. Parekh	83,73,750	85,93,750
	<b>Company / Firm in which KMP / Relatives of KMP can exercise significant influence</b>		
	Nitin Rasiklal Parekh (HUF)	53,44,090	58,19,090
	<b>Creditors</b>		
	Harilal & Sons (Agencies)	68,971	68,971
	Sun Precision cast Pvt. Ltd. (Adv against supplies)	5,00,000	5,00,000
	<b>Debtors</b>		
	NIL		





# Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

## Note: 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

### A. Contingent Liabilities and Capital Commitments

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A.</b>	<b>Contingent Liabilities and Capital Commitments</b>		
(a)	On failure of OTS with Madhavpura Mercantile	5,00,72,711	4,47,07,778
(b)	Excise demand outstanding for the Financial Year 2013-14 for which the company has filed an appeal.	42,60,045	36,10,204
(c)	Income tax demand outstanding for the Financial Year 2012-13, 2013-14 & 2014-15 for which the company has filed an appeal.	87,37,699	74,04,830
<b>B.</b>	<b>Auditor's Remuneration</b>		
	As Audit Fees	1,00,000	1,00,000
	Taxation Matters	75000	50,000
	In other Capacity	--	--
	Re-imbusement of expenses	--	--

### B. Fair Value Measurements

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments	--	--	--	--	--	--
Trade receivables	--	--	95.31	--	--	49.94
Cash and Cash equivalents	--	--	6.61	--	--	7.57
Other Bank balances	--	--	--	--	--	--
Loans	--	--	63.06	--	--	66.54
Other Financial assets	--	--	--	--	--	--
<b>Total Financial Assets</b>	--	--	<b>164.98</b>	--	--	<b>124.05</b>
<b>Financial Liabilities</b>						
Borrowings	--	--	1094.66	--	--	1112.1
Other current financial liabilities	--	--	--	--	--	--
Trade Payables	--	--	651.45	--	--	450.42
<b>Total Financial Liabilities</b>	--	--	<b>1746.11</b>	--	--	<b>1562.52</b>





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

### (i) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy.

The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

### C. Financial Risk Management

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
	<p>The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.</p> <p>The Company's risk management policies are established to identify, and the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.</p>		
<b>A.</b>	<b>Credit Risk</b> Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, trade receivables, cash and cash equivalents, loans, and other financial assets. The Company's credit risk is minimized as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.		
	Investment	16,25,000	16,25,000
	Trade receivables	95,31,030	49,94,227
	Cash and Cash equivalents	6,61,155	7,56,711
	Loans	63,06,110	66,54,309
	Other Financial Assets	--	--
<b>B.</b>	<b>Liquidity Risk</b> Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.		
	<b>(i) Maturities of financial liabilities</b> The tables herewith analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:		





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

	The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.			
<b>Contractual maturities of financial liabilities</b>				
Sr. No.	Particulars	Less than 1 year	More than 1 year	Total
	<b>As at March 31, 2023</b>			
	<b>Non-derivatives</b>			
	Borrowings	2,91,70,543	8,02,95,476	10,94,66,019
	Trade payables	6,51,45,351	--	6,51,45,351
	Other financial liabilities	--	--	--
	<b>Total Non-derivative liabilities</b>	<b>9,43,15,894</b>	<b>8,02,95,476</b>	<b>17,46,11,370</b>
	Note: Considering MNCB OTS, Borrowing of MNCB is considered maturing after One Year			
	<b>As at March 31, 2022</b>			
	<b>Non-derivatives</b>			
	Borrowings	3,07,05,425	8,05,04,910	11,12,10,336
	Trade payables	4,50,42,031	--	4,50,42,031
	Other financial liabilities	--	--	--
	<b>Total Non-derivative liabilities</b>	<b>7,57,47,456</b>	<b>8,05,04,910</b>	<b>15,62,52,366</b>

<b>C</b>	<p><b>Market Risk</b></p> <p><b>(i) Price Risk</b></p> <p>The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. The above instruments risks are arisen due to uncertainties about the future market values of these investments.</p> <p><b>Management Policy</b></p> <p>The Company maintains its portfolio in accordance with the framework set by the Risk management Policies. Any new investment or divestment must be approved by the board of directors, chief financial officer and Risk Management committee.</p> <p><b>(ii) Currency Risk</b></p> <p>The Company has significant Exposure for Export's revenue and import of raw material and Property, Plant and Equipment so the company is subject to risk that changes in foreign currency value impact.</p>
----------	---

### Note 28: CAPITAL MANAGEMENT

#### Risk Management

For the company's capital management, equity includes equity share capital, and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimize returns to the shareholders and adjusts it considering changes in economic conditions its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios to support its business and provide adequate return





## Aditya Forge Limited

Notes forming part of Financial Statements for the year 2022-23

to shareholders through continuing growth and maximize the shareholders' value. The management and Board of Directors monitor the return on capital.

### Note 29: Disclosure related to Micro, Small & Medium Enterprises.

Micro, Small & Medium Enterprise has been identified based on information available with the Company. As per explanation given by the Company, they have 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 at the yearend together with interest payable as required under the said act has not been given. The Auditors of the Company has relied on the explanation.

### Note 30:

### Note 31: PREVIOUS YEAR'S FIGURES:

The figures as on the transition date and previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

### Note 32: OTHER INFORMATION

#### 1. Sale of Product Comprises: (Under Broad Head):

##### Manufactured Goods:

Finished Goods	2022-23	2021-22
	₹	₹
Flanges	31,76,17,844	21,22,49,986
Fittings	NIL	NIL
<b>Total</b>	<b>31,76,17,844</b>	<b>21,22,49,986</b>

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

Raw Material	2022-23	2021-22
	₹	₹
Opening Stock	1,19,63,539	82,13,276
Add: Purchase of Raw Materials	0.00	17,23,10,419
Less: Closing Stock	1,19,63,539	1,19,63,539
<b>Total</b>	<b>0.00</b>	<b>16,85,60,156</b>

#### 3. Expenses in Foreign currency during the year on Account of:

Particulars	2022-23 – IN ₹	2021-22 – IN ₹
a) Royalty	NIL	NIL
b) Know-how	NIL	NIL
Professional Consultation	NIL	NIL



**Aditya Forge Limited**

Notes forming part of Financial Statements for the year 2022-23

d) Interest/Foreign Bank Charges	492	24,879
e) foreign tour	2,87,615	1,15,574
f) Commission on Exports	NIL	NIL
g) Material propaganda	NIL	NIL

4. Amount remitted during year on account of:

Particulars	2022-23	2021-22
a) Dividend	NIL	NIL

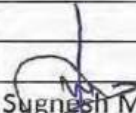

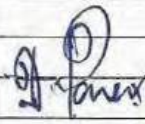
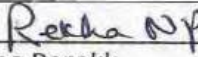
5. Value of Imports on CIF basis during the year in respect of:

Particulars	2022-23	2021-22
a) Raw Materials	NIL	NIL
b) Stores and Spares	NIL	NIL
c) Capital Goods	NIL	NIL
d) Other (Please specify)	NIL	NIL

6. Earning in Foreign Exchange Under:

Particulars	2022-23	2021-22
e) Export of Goods (F.O.B. basis)	85,67,662	NIL
f) Royalty, know how, professional & consultation fees	NIL	NIL
g) Interest and Dividend	NIL	NIL
h) Other Income	33,91,348	NIL

Notes forming Part of Financial Statements 1 to 32:-

For, Sugnesh Mehta & Co.,		For and on behalf of the Board of Directors
Chartered Accountants		Aditya Forge Limited
Firm Regn No.120348W		
		
Sugnesh Mehta		Nitin Parekh
Proprietor		Mg Director
Membership No.044559		(DIN: 00219664)
Place: Vadodara		Place: Vadodara
Date:21/08/2023		Date:21/08/2023
		
		Rekha Parekh
		Director
		(DIN:00219808)
		