



Amforge Industries Limited





Amforge Industries Limited

Annual Report 2008-2009

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BOARD OF DIRECTORS

Shri. Puneet Makar
Shri. Yogiraj Makar
Shri. Fali P. Mama
Shri. Bhushan Lal Gupta
Shri. Sunil K. Aggarwal
Shri. Vijay S. Choksi
Shri. Rakesh Khanna

REGISTERED / CORPORATE OFFICE

108-111, Raheja Chambers,
Free Press Journal Marg,
Nariman Point, Mumbai - 400 021.

Telephone: 022-6636 5962 / 63

Fax : 022-6636 5964

Email : amfcosec@mtnl.net.in
secretarial@amforgeindustries.com

Web : www.amforgeindia.com

AUDITORS

Bansal & Associates,
Chartered Accountants,
Rajendra Chambers,
Nanabhai Lane, Fort,
Mumbai - 400 001.

WORKS

32-D-2, M.I.D.C. Area, Chinchwad,
Pune - 411 019. Maharashtra State.

Telephone: 020-6611 3464 / 65

Fax : 020-6611 3597

Email : amforge@vsnl.net

SOLICITORS

Mulla & Mulla, Craigie Blunt & Caroe
Mulla House,
51, M. G. Road, Fort,
Mumbai - 400 023.

37TH ANNUAL GENERAL MEETING

on Wednesday, the 30th September, 2009
at 2.30 p.m. at

Maharashtra Chamber of Commerce,
Industry and Agriculture,
Babasaheb Dahanukar Sabhagriha, 6th Floor,
Oricon House, 12, K. Dubash Road,
Fort, Mumbai - 400 001.

REGISTRAR AND TRANSFER AGENTS

Sharex Dynamic (India) Private Limited
Unit-1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai - 400 072.
Telephone : 022-28515606 / 28515644
Fax : 022-28512885
E-mail : sharexindia@vsnl.com

As a measure of economy, copies of the Annual Report will not be distributed at the Meeting and, therefore, Members are requested to bring their copies of the Annual Report to the Meeting.

NOTICE

NOTICE is hereby given that the 37TH ANNUAL GENERAL MEETING of **Amforge Industries Limited** will be held on Wednesday, the 30th September, 2009 at 2.30 p.m. at Maharashtra Chamber of Commerce, Industry and Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account of the Company for the year ended on that date, together with the report of the Directors and the Auditors.
2. To appoint a Director in place of Shri. Yogiraj Makar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri. Rakesh Khanna who was appointed as Additional Director with effect from 29-01-2009, whose term of office expires at this Annual General Meeting in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit to pass, with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT Shri. Puneet Makar be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 2nd February, 2009 to 1st February, 2012."

"RESOLVED FURTHER THAT pursuant to the approval of the Remuneration Committee accorded in their meeting held on 2nd February, 2009 and subject to the approval of the Shareholders of the Company by means of Special Resolution and pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, the following remuneration be paid to Shri Puneet Makar:

1. Salary

Rs. 150,000/- per month.

2. Commission

It shall not be more than 1% of net profits of the company.

3. Perquisites

Perquisites including allowances, if any, may be paid in such a form and to such an extent as may be decided by the Board from time to time so that the remuneration including perquisites shall not exceed 5% of net profits of the Company and in the year of absence of profits or inadequacy of profits, the value of these perquisites shall not exceed Rs. 100000 p.m. or Rs. 12.00 lacs per annum.

a) Housing

- i) The expenditure by the Company on hiring unfurnished accommodation subject to the ceiling of sixty per cent of the salary over and above ten per cent payable by Shri Puneet Makar.
- ii) In case the accommodation owned by the Company is provided, Shri. Puneet Makar shall pay to the Company ten per cent of his salary.
- iii) In case no accommodation is provided by the Company, Shri. Puneet Makar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing-i.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income-tax Rules, 1962.

b) Medical Reimbursement

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or five months' salary over a period of five years. In case of Medical expenses incurred abroad, on special treatment, the same may be paid / reimbursed in addition to the above subject to the provisions in the Act/Rules in this regard and as may be approved by the Board.

c) Leave Travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

d) Club Fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

e) Personal Accident Insurance

Premium not to exceed Rs.4, 000/- per annum.

Explanation:

"Family" means the spouse, the dependent children and dependent parents

4. Contribution to Provident Fund, Etc.

Contribution to Provident Fund, Superannuation fund or Annuity Fund shall be as per the Rules of such Funds in force but, however, the amount so contributed will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

5. Gratuity

Gratuity payable shall not exceed half a month's salary for each completed year of service. The amount so contributed will not be included in the computation of ceiling on perquisites.

6. Encashment of leave at the end of the tenure.

7. Provision of car for use on Company's business and **telephones** at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to Shri. Puneet Makar."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("THE BOARD") be and is hereby authorised to vary Shri Puneet Makar's designation and also to alter, increase, or modify the terms and conditions of remuneration and or perquisites payable to him during the aforesaid period but so as not to exceed the maximum permissible limits specified in Schedule XIII to the Companies Act, 1956, for the time being and from time to time, in force."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during Shri Puneet Makar's term of office, the remuneration mentioned above shall be payable as minimum remuneration subject to restrictions and conditions provided under Section II of Part II of Schedule XIII to the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."

By Order of the Board of Directors

Registered / Corporate Office:

108-111, Raheja Chambers
Free Press Journal Marg
Nariman Point
Mumbai - 400 021.

Place : Mumbai,

Dated : 31st August, 2009.

Puneet Makar
Chairman & Managing Director

NOTES :

- The Explanatory Statement setting out the material facts concerning the Special business mentioned under Item No. 4 and 5 of the Notice as required u/s.173(2) of the Companies Act, 1956 is annexed.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- The Register of Members and the share transfer book of the Company will remain closed from Wednesday, 23rd September, 2009 to Wednesday, 30th September, 2009 (both the days inclusive).

- d) Members who desire any information as regards the Accounts are requested to write to the Company at least 10 days before the date of the Meeting so as to enable the Management to keep the information ready.
 - e) Members, having the shares in physical form, are requested to notify immediately any change in their addresses to the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072. Telephone: 022-28515644, 28515606. Fax: 022-28512885. Email - sharexindia@vsnl.com, Web: www.sharexindia.com.
 - f) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
 - g) No dividend has been declared by the Company since 1997.
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**ANNEXURE TO THE NOTICE PURSUANT TO THE PROVISIONS OF
SECTION 173(2) OF THE COMPANIES ACT, 1956**

EXPLANATORY STATEMENT:

ITEM NO. 4 :

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited, the Company appointed Shri. Rakesh Khanna as an Additional Independent Director of the Company from 29th January, 2009. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto this Annual General Meeting.

Notice in writing has been received from a Shareholder of the Company signifying his intention proposing Shri. Rakesh Khanna, as a candidate for the Office of Director alongwith a deposit of Rs.500/-. The Directors recommend that he be appointed as a Director of the Company.

Except Shri. Rakesh Khanna, no director is interested in the Resolution.

ITEM NO. 5:

Shri Puneet Makar (46), a Graduate in Business Administration from the U.S.A, has been serving the Company, holding several senior positions for over 17 years such as, Jt. Managing Director, Chairman and Managing Director and Director. He has substantially contributed to the corporate strategies and growth of the Company.

Shri. Puneet Makar has been re-appointed as Managing Director for a period of 3 years from 2nd February, 2009 to 1st February, 2012 by Circular Resolution, on the terms and conditions including the remuneration as approved by the Remuneration Committee of the Board of Directors, subject to approval of the Shareholders.

As required under Section 302 of the Companies Act, 1956, an abstract of the main terms and conditions of his appointment together with Memorandum of concern or Interest has been posted to the Member of the Company, within the stipulated period.

Shri. Puneet Makar himself and Shri. Yogiraj Makar, Directors of the Company, shall be deemed to be interested in the Resolution.

By Order of the Board of Directors

Registered / Corporate Office:

108-111, Raheja Chambers
Free Press Journal Marg
Nariman Point
Mumbai - 400 021.

Place : Mumbai,

Dated : 31st August, 2009.

Puneet Makar
Chairman & Managing Director

DETAILS OF DIRECTORS BEING APPOINTED AT ANNUAL GENERAL MEETING
(In Pursuance of Clause 49 (VI) A of the Listing Agreements)

Name of Director	Shri. Yogiraj Makar	Shri. Rakesh Khanna	Shri. Puneet Makar
Age	79	57	46
Qualification	B.Sc. (Metallurgy)	B.Com. (Hons), FCA	BBA (USA)
Date of Appt.	21-04-1971	29-01-2009	1-10-1994
Expertise	Vast experience in manufacturing of forgings and renowned figure in the forging Industries in India.	Chartered Accountant over 3 decades of Corporate Financial expertise	Corporate strategy, Financial Management and day to day affairs of the Company.
Other Directorships	Devidass Pvt. Ltd. Dujon Commercial Pvt. Ltd.	GCIL Finance Ltd. Foundation for Promotion of Sports & Games Geltec Pvt. Ltd. Gwalior Chemical Inds. Ltd. Mangal Keshav Capital Ltd. Mangal Keshav Distributors Ltd. Mangal Keshav Holdings Ltd. Mangal Keshav Ins. Brokers Ltd. Mangal Keshav Securities Ltd. MK Commodity Brokers Ltd. Universal Medicare Pvt. Ltd.	Viniyog Investment & Trading Co. Pvt. Ltd. Bonjour Investment Co.Pvt.Ltd. Salil Investments Pvt. Ltd. Nainesh Investment & Trading Co. Pvt. Ltd. Dujon Commercial Pvt. Ltd.
Chairman/ Member of the Committees	-	Chairman - Audit Committee Mangal Keshav Holding Ltd.	Member - SIGC Amforge Industries Ltd.
		Member - Audit Committee Mangal Keshav Securities Ltd.	
		Chairman - Audit Committee Mangal Keshav Capital Ltd.	
		Chairman - Audit Committee Mangal Keshav Distributions Ltd.	
		Member - Audit Committee Mangal Keshav Insurance Brokers Ltd.	
		Chairman - Audit / Remuneration Committee, Member-Shareholder's Committee Gwalior Chemical Industries Ltd.	
		Member - Audit & Remuneration Committee Amforge Industries Limited	

DIRECTORS' REPORT**TO THE MEMBERS
AMFORGE INDUSTRIES LTD.**

Your Directors hereby present the 37th Annual Report and audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	2008-2009	2007-2008
Gross Revenue after stock adjustments	2975.44	5350.88
Gross Profit before Interest, Depreciation, Amortization and Tax	(636.47)	63.57
Interest	(51.55)	(51.96)
Operating Profit (Loss) before Depreciation & Amortization	(688.01)	11.61
Depreciation	(96.92)	(93.85)
Operating Profit/(Loss) for the year	(784.93)	(82.25)
Other Extra Ordinary Gains (Net)	(30.77)	(39.32)
Profit / (Loss) for the year	(815.70)	(121.57)
Prior Period's adjustments (Net)	(8.19)	(14.99)
Net Profit / (Loss)	(823.89)	(136.56)
Provision for Current Tax (Wealth Tax)	(0.70)	(0.60)
Provision for Fringe Benefit Tax	(20.14)	(21.85)
Provision for Deferred Tax	367.55	(64.35)
Profit / (Loss) after Tax	(477.18)	(223.36)
Balance Profit/(Loss) brought forward from previous year	(2615.16)	(2391.80)
Balance carried to Balance Sheet	(3092.34)	(2615.16)
EPS (Rs.)	(3.22)	(1.51)

FINANCIALS

During the year under review, your Company's gross revenue is Rs.2975.44 lacs [Previous Year: Rs. 5350.87 lacs]. Gross Profit / (Loss) before interest, depreciation and tax amounted to Rs. (636.47) lacs [Previous Year (Rs. 63.57 lacs)]. Operating Cash Profit / (Loss) before depreciation and amortization is Rs. 688.01 [Previous Year (Rs.11.61 lacs)]. The Net Loss came to Rs.823.89 lacs [Previous Year Rs. 136.56]. The financials reflect eight months operations as the production at Chinchwad plant was suspended from December, 2008 initially in view of recession in the automobile industry and subsequent declaration of lock out in May, 2009 due to labour unrest.

DIVIDEND

In view of the losses, current and accumulated, your Directors regret their inability to recommend any dividend for the year 2008-2009.

PUBLIC DEPOSITS AND LOANS / ADVANCES:

The Company has not accepted any deposits from the Public or its employees during the financial year.

The Company has made a loan to its wholly owned subsidiary Company without interest.

DIRECTORS

Shri. Yogiraj Makar, who retires by rotation and being eligible, offers himself for re-appointment, subject to retirement by rotation.

Shri. Rakesh Khanna was appointed as an Additional Independent Director with effect from 29th January, 2009 and his term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice U/s. 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director liable to retire by rotation.

Shri. Puneet Makar was appointed as Managing Director of the Company for a period of 3 (three) years from 2nd February, 2009 to 1st February, 2012 by the Board of Directors by Circular Resolution dated 2nd February, 2009 on the terms and conditions including the remuneration, as approved by Remuneration Committee of the Board of Directors, subject to approval of the Shareholders. Subsequently, an abstract under section 302 of the Companies Act, 1956 sent to the Members of Company within the stipulated period.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that :-

- in the preparation of the annual accounts, the applicable accounting standards have been followed.

- ii. appropriate accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2009 and loss of the Company for the year ended on that date.
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.

AUDITORS

Messrs. Bansal & Associates, Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate that their reappointment, if made, will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS REPORT

The Directors give the following comments on Para 3 of Auditors Report:

Certain records and documents pertaining to the period from December, 2008 to March, 2009 could not be made available for the auditor's verification, due to suspension of operations at the plant in December, 2008 and consequent lock-out and the labour problems. However, the management does not envisage any material discrepancy(ies) in the financial statements due to the same.

SUBSIDIARY COMPANY

Dujon Commercial Private Limited, an existing investment company became a wholly owned subsidiary (WOS) of the company since October 2008.

Pursuant to Section 212(8) of the Companies Act, 1956, the Company has applied to the Ministry of Corporate Affairs for exemption from attaching the audited accounts of the subsidiary to the Annual Accounts of the Company, for the financial year ended 31st March 2009. Approval is awaited. A statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2009 is included in the Annual Report. The annual accounts of the subsidiary company will be made available for inspection to members of the Company, upon request at its registered office. .

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

The information required in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report as Annexure-1.

MANAGEMENT DISCUSSION AND ANALYSES

As per the requirement of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Management Discussion and Analyses of the events, which have taken place and the conditions, prevailed during the period under review is annexed to this report as Annexure-2.

PERSONNEL

Statement of particulars of employees, providing information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this report as Annexure-3.

CORPORATE GOVERNANCE

A report on Corporate Governance as per the requirement of Clause 49 of the Listing Agreement is annexed to this report, as Annexure - 4.

CEO / CFO CERTIFICATION

Pursuant to Clause 49 V of the Listing Agreement with the Bombay Stock Exchange Limited, a certificate issued by CEO/ CFO of the Company placed before the board for the financial year ended 31st March, 2009.

COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956, a compliance certificate issued by Practising Company Secretary is annexed to this report as Annexure - 5.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the valued customers, suppliers and banks for their support, co-operation and guidance and also wish to place on record appreciation of the committed services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director

ANNEXURE - 1 TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

No major steps were taken due to recession in the Automobile industry and closure of the plant.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

None in view of closure of plant.

Impact of the measures taken / to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Not applicable.

c) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the schedule thereto for the year ended 31.03.2009.

	2008-09*	2007-08
1 Power & Fuel Consumption		
Electricity - Purchased (KWH in lacs)	34	62
Total Amount (Rs. in lacs)	176.79	341.87
Average rate per unit	5.23	5.51
2 Furnace Oil		
Quantity (Kilo litres)	301	558
Total Amount (Rs. in lacs)	99.05	127.75
Average rate per litre	32.90	22.89
3 Light Diesel Oil		
Quantity (Kilo litre)	271	565
Total Amount (Rs. in lacs)	119.03	163.80
Average rate per litre	42.92	28.99
4 Consumption per unit of Production		
Production (Tons)	2534	5226
<i>Fuel Used</i>	<i>Units</i>	
Electricity	Kwh / Ton	
	1341	1186
Furnace Oil	Lit / Ton	
	119	107
Light Diesel Oil	Lit / Ton	
	107	108

B. TECHNOLOGY ABSORPTION

i. Research & Development:

As stated above at (A) no concrete steps were taken.

ii. Benefits derived as a result of the above efforts:

Not applicable

iii. Future plans of action:

Not applicable

Most of the R & D work is carried out in-house.

iv. Foreign Exchange Earnings and Outgo:

	(Rs. in Lacs)
	2008-09
FOB Value of Exports	209.86
Foreign Currency Outgo	0.96

* Figures for the F.Y. 2008-09 are for the period from April, 2008 to November, 2008. In December, 2008 the operation of the plant was suspended and subsequently declared lock out in May, 2009.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director

ANNEXURE - 2 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSES

Forging Industry:

The Company has only one segment and that is 'forgings'.

Forging is a manufacturing process where metal is pressed, pounded or squeezed under great pressure into high strength parts largely catering to automobile industry as such; the performance of the Forging Industry is very much dependent on the performance of the automobile industry which is, in turn, dependent on demand for vehicles.

Location

The Company's Chinchwad plant is having a comprehensive Forge Shop with Presses and Hammers together with all balancing equipment. This plant is located in the Forging Capital (Pune) of India with all logistical and infrastructure facilities in place, and serves a complete range of small segment forgings to almost all the major OEMs, directly or indirectly. It enjoys a "Preferred Vendor" status with its Customers. Quality Accreditations like ISO/ts 16949:2002 and ISO 9001: 2000 are in place.

Operation

The general economy started slowing down since 2007 and faced further down trend in the mid 2008 followed by recession in the auto industry. Due to this recession, we suspended the operation in December, 2008 particularly since there were no orders forthcoming, as also OEMs were not lifting material already ordered. Further, with the losses mounting each month, it became difficult to meet the regular salary / wages and other statutory liabilities in the absence of any sale revenue as also non receipt of our receivables from customers for supplies already made, this led to restlessness and indiscipline amongst the workers which ultimately forced the management to declare a lock out at Chinchwad plant.

Market Outlook - Industry Scenario:

The general economy started slowing down since 2007. The financial crisis deepened further in 2008 with several leading financial houses and businesses having to write off heavy losses in their books leading to the general economy, and particularly the auto industry, taking a turn for the worse.

OEM customers built up stocks in expectations of continued growth throughout the year 2008. However, these expectations were belied and the bottom dropped drastically in the second half of 2008. Within a very short time, with severe recession in the auto sector coupled with severe liquidity crunch, forging demand came to a standstill and orders evaporated. To make it worse the OEMs also refused to lift material for which they had already released formal orders and firm delivery schedules. With most of the auto OEMs resorting to closures and lay-offs together with extremely delayed payment for material already supplied, small and medium unit were faced with no alternative but to suspend operations. It was impossible to meet regular monthly expenses of labour, steel, power and other statutory dues in the absence of any supplies/ sales to regular customers. Initially, the industry geared for a short slow down in the automotive industry, however, it was impossible to anticipate the scale, size and impact of the slowdown which continued into early 2009. The sheer systemic demand drop across all sectors from financial to automotive and to the economy as a whole was unprecedented. Manufacturing sector witnessed a sharp demand drop while the performance of Indian Automotive sector showed a predominantly negative trend. Sales of medium and heavy commercial vehicles, to which Amforge predominantly supplies, declined sharply for the second consecutive year and the major commercial vehicle producers experienced drop in production of over 60%.

Internal Control System and their Adequacy

Independent firm of Chartered Accountants has been appointed to carry out internal audit functions to ensure adherence to various policies and procedures already introduced and followed in the Company. This is also ensuring compliances with various statutory requirements. The internal control systems have been reviewed by the Audit Committee.

Discussion on financial performance:

During the year under review, the Company's gross revenue remained at Rs. 2,975.44 Lacs. The operation at Chinchwad plant was suspended in December, 2008 due to recession in the automobile industry and subsequent to declaration of lock out in May, 2009.

ANNEXURE - 3 TO THE DIRECTORS' REPORT

Additional information as required U/s. 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2009.

Name & Designation	Qualification	Date of commencement of employment	Age / (Experience in years)	Remuneration (subject to tax) (Rs in lacs)	Last employment held (Designation / Organisation)
Shri. Puneet Makar Chairman & Managing Director	BBA from USA	2nd February, 2009	46 (16 years)	4.82	1st employment since 1-10-1994. Director Amforge Industries Limited

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director