

**42ND | ANNUAL REPORT
2013-2014**



Amforge Industries Limited

AMFORGE INDUSTRIES LIMITED

Annual Report 2013-2014

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Board of Directors:

Mr. Puneet Makar
 Mr. Yogiraj Makar
 Mr. Fali P. Mama
 Mr. Rakesh Khanna
 Mr. Sunil Aggarwal
 Dr. Hansraj Manchanda
 (12-08-2013 - 12-02-2014)
 Mr. Sharat Devindra Nath
 (From 18-02-2014)

Registered Office:

1104-A, Raheja Chambers,
 Free Press Journal Marg,
 Nariman Point,
 Mumbai – 400021.

Telephone: 022-22828933/22821486

Website: www.amforgeindia.com

Emails: amfcosec@mtnl.net.in /
secretarial@amforgeindustries.com

Registrar & Transfer Agents:

M/s. Sharex Dynamic (India) Pvt Ltd.
 Unit-1, Luthra Industrial Premises
 Safed Pool, Andheri-Kurla Road
 Andheri (E), Mumbai-400072.

Telephone: 022-28515644 / 28516338

Fax: 022-28512885

Website: www.sharexindia.com

Email - sharexindia@vsnl.com

Solicitors :

Mulla & Mulla, Craigie Blunt & Caroe
 Mulla House,
 51, M.G. Road, Fort,
 Mumbai – 400023.

Auditors :

Bansal & Associates
 Chartered Accountants
 Rajendra Chambers, Nanabhai Lane, Fort,
 Mumbai – 400001.

42nd Annual General Meeting on Friday, the 12th September, 2014 at 3.00 p.m. at
 Babasaheb Dahanukar Hall , Maharashtra Chamber of Commerce, Orion House, 6th Floor,
 12, Dubash Road, Fort, Mumbai - 400001.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of Notice / documents including Annual Report can be made by-mail to their members. To support this green initiative of the government in full measures, members who have not registered their e-mail address so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their e-mail addresses to the Registrar and Transfer Agents of the Company's e-mail: sharexindia@vsnl.com.

NOTICE

Notice is hereby given that the **42nd Annual General Meeting of Amforge Industries Limited** will be held on Friday, 12th September, 2014 at 3.00 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31/03/2014 and the Balance Sheet as at that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Fali P. Mama (DIN 00012636), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors M/s. J.Singh and Associates, Chartered Accountants, (Firm Registration No.110266 W) as Statutory Auditors of the Company and fix their remuneration.

To consider and if thought fit to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, M/s. J. Singh and Associates, Chartered Accountants (Firm Registration No. 110266W) be and is hereby appointed as Statutory Auditors of the Company (in place of M/s. Bansal and Associates, Chartered Accountants, (Firm Registration No.100985W) to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 47th AGM of the Company to be held in the year 2019 subject to ratification of their appointment at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification (s), the following resolution as an **Ordinary Resolution** for the Appointment of **Mr. Rakesh Khanna** as an Independent Director:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder, including any amendment, modifications, variation or re-enactment thereof read with Schedule IV to the Act, for the time being in force, Mr. Rakesh Khanna (DIN 00040152), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the 47th Annual General Meeting of the Company, in the calendar year 2019.”

5. To consider and if thought fit to pass with or without modification (s), the following resolution as an **Ordinary Resolution** for the Appointment of **Mr. Sunil K. Aggarwal** as an Independent Director.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder, including any amendment, modifications, variation or re-enactment thereof read with Schedule IV to the Act, for the time being in force, Mr. Sunil K. Aggarwal (DIN 00005385), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the

office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the 47th Annual General Meeting of the Company in the calendar year 2019.”

6. To consider and if thought fit to pass with or without modification (s), the following resolution as an **Ordinary Resolution** for the Appointment of **Mr. Sharat D. Nath** as an Independent Director.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder, including any amendment, modifications, variation or re-enactment thereof read with Schedule IV to the Act, for the time being in force, Mr. Sharat D. Nath (DIN 00433900), who was appointed pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company, by the Board of Directors as an Additional Director on 18/02/2014 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the 47th Annual General Meeting of the Company in the calendar year 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution - Borrowing Power to the Board:**

“RESOLVED THAT in supersession of the ordinary resolution passed at the Extraordinary General Meeting of the Company held on 24/03/2005 in terms of Section 293(1) (d) of the Companies Act, 1956, and pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies on behalf of the Company from time to time such sum or sums of money as it may deem requisite, necessary or expedient, upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, from any Banking Institution, Bodies Corporate(s) and any other entities for the purposes of business of the company notwithstanding that money or moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount up to which moneys may be borrowed by the Board of Directors shall not exceed the sum of ₹ 200 Crores (Rupees Two hundred Crores) at any one time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such borrowings from time to time, viz. terms as to interest, repayment, security or otherwise at it may deem fit and to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director(s) and/or officer(s) of the company, to give effect to this resolution.”

By Order of the Board of Directors
Puneet Makar
Chairman & Managing Director

Registered Office:
1104-A, Raheja Chambers
Free Press Journal Marg
Nariman Point, Mumbai-400021

Place: Mumbai
Date: 08/08/2014

NOTES:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (corresponding to 173 of the Companies Act, 1956), in respect of the Special Business under item No.4 to 7 are annexed hereto.
2. **Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form duly completed and signed, should be lodged with the company, at its registered office at least 48 hours before the time of the meeting.**
3. **A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. The Register of Members and the Share Transfer books of the Company shall remain closed from Friday, 05/09/ 2014 to Friday, 12/09/2014 (both days inclusive).
5. The Members may lodge their shares for transfer / transmission with the office of M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents at Unit No1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai-400072 or with the Company.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. to 4.00 p.m. upto the date of the ensuing meeting.
7. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.
8. Members / Proxies should fill the Attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification for attendance at the meeting.
9. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. The members of the Company are requested to provide their email address for serving by electronic mode the notice / documents as a part of the Green Initiative in Corporate Governance introduced by the Ministry of Corporate Affairs. The said information / request can be sent by member to Sharex Dynamic (India) Pvt. Ltd.

11. Voting through electronic means:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its shareholders to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for shareholders for voting electronically are as under:

- (i) The voting period begins on 06/09/2014 at 9.30 a.m. and ends on 08/09/2014 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (15/08/2014), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in (dd/mm/yyyy) format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on “**SUBMIT**” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided

that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of **AMFORGE INDUSTRIES LIMITED** to vote.
- (xii) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- (xix) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- (xx) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (xxi) After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- (xxii) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (xxiii) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

(xxv) Mr. Rajkumar Tiwari, Practising Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxvi) The scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(xxvii) The results shall be declared on / or after AGM of the Company. The results declared alongwith scrutinizer's report shall be placed on the Company's website www.amforgeindia.com and on the website of CDSL within two (2) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 4:

Mr. Rakesh Khanna is an Independent Director of the Company. He joined the Board of Directors of the Company in January, 2009 and he is also Member of Audit Committee and Remuneration Committee of the Board of Directors of the Company.

He is B.Com (Hons), Fellow member of ICAI (FCA) and served the industry in India in various capacities over last 3 decades. He is also Director of other companies, viz. Universal Medicare Private Limited, Geltec Private Limited, Mangal Keshav Securities Limited, GeeCee Ventures Limited, Mangal Keshav Financial Services Limited, MK Commodity Brokers Limited, Mangal Keshav Capital Limited, Mangal Keshav Insurance Brokers Limited, Foundation for Promotion of Sports & Games, GCIL Finance Limited, Caprihans (India) Ltd, Biochemicals and Synthetic Products Ltd.

He is Chairman of Audit Committees of Mangal Keshav Securities Limited, Mangal Keshav Capital Limited, Geecee Ventures Limited, Caprihans India Limited and Member of Audit Committee of GCIL Finance Limited.

He is also Member of Investor Grievance Committees of Mangal Keshav Distributions Limited, Mangal Keshav Insurance Brokers Limited, Gee Cee Ventures Limited and Caprihans India Limited.

Mr. Khanna retires by rotation at the ensuring Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, he is being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold the office for a period of 5 (Five) consecutive years with effect from this meeting AND THAT he shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Khanna for the office of the Directors of the Company.

In the opinion of the Board, Mr. Khanna fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and are independent of the management. -

The Board considers that his continued association would be of best interest of the Company and it is desirable to continue to avail services of Mr. Khanna as an independent director. Accordingly, the board recommends the resolution for appointment of Mr. Khanna as an independent director, for approval by the shareholders of the Company.

Mr. Khanna, being an appointee, none of the Directors and Key Managerial Personnel of the Company

and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item 4. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

The Board accordingly recommends the Ordinary Resolution as mentioned at item no.4 of this Notice for your approval.

ITEM NO.5

Mr. Sunil Aggarwal is a non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March, 2005 and he is also Chairman of Audit Committee, Remuneration Committee and Shareholders / Investors Grievances Committee of the Board of Directors of the Company.

He has done his BBS from United States of America. He expertises in Finance and Administration fields. He is a director of Devidayal Rolling and Refineries Pvt. Ltd.

Mr. Sunil K. Aggarwal retires by rotation at the ensuring Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Aggarwal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold the office for a period of 5 (Five) consecutive years, with effect from the date of this meeting AND THAT he shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Aggarwal for the office of the Director of the Company.

In the opinion of the Board, Mr. Aggarwal fulfils the conditions specified in the Companies Act, 2013 and a rule made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of best interest of the Company and it is desirable to continue to avail services of Mr. Aggarwal as an independent director. Accordingly, the board recommends the resolution for appointment of Mr. Aggarwal as an independent director, for approval by the shareholders of the Company.

Mr. Aggarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item 5. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

The Board accordingly recommends the Ordinary Resolution as mentioned at item no.5 of this Notice for your approval.

ITEM NO.6

Mr. Sharat D. Nath joined the Board of Directors of the Company on 18/02/2014 as an additional director.

Mr. Nath is an industrialist and Director of M/s. Ultraseal (India) Private Limited and M/s. Xtech Equipment Private Limited .

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Sharat D. Nath being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a period of 5 (Five) consecutive years, with effect from the date of this meeting AND THAT he shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Sharat Nath for the office of the Director of the Company.

In the opinion of the Board, Mr.Nath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and are independent of the management.

The Board considers that his continued association would be of best interest of the Company and it is desirable to continue to avail services of Mr. Nath as an independent director. Accordingly, the board recommends the resolution for appointing him as an independent director, for the approval by the shareholders of the Company.

Mr. Nath being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item 6. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

The Board accordingly recommends the Ordinary Resolution as mentioned at item no.6 of this Notice for your approval.

ITEM NO.7

The Members of the Company, at the Extraordinary General Meeting held on 24/03/2005, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company for borrowing monies on behalf of the Company, from time to time, up to an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeding the paid up share capital of the Company and its free reserves. However, after the applicability of the provisions of Section 180(1) (c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

The Board accordingly recommends the **Special Resolution** as mentioned at item no.7 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.