

**30th
ANNUAL
REPORT
2006 - 2007**



**AHMEDNAGAR
FORGINGS
LIMITED**



AHMEDNAGAR FORGINGS LIMITED

30th ANNUAL REPORT

2006 - 2007

Board of Directors

Mr. Arvind Dham	<i>Chairman</i>
Mr. A. K. Syal	<i>Managing Director</i>
Mr. D. S. Malik	<i>Director</i>
Mr. S. E. Krishnan	<i>Director</i>
Mr. B. Lugani	<i>Director</i>
Mr. Gautam Malhotra	<i>Director</i>

Company Secretary

Mr. Prabhjot Singh Ahluwalia



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Registered Office

Gat No. 614
At Village : Kuruli
Tal.: Khed,
Dist.: Pune - 410 501

Corporate Office

The Great Eastern Plaza,
604, 6th Floor, 1996 A, Airport Road,
Near Gunjan Theatre, Yerwada,
Pune - 411 006.

Works

- MIDC Area, Ahmednagar
- Chakan, Dist. Pune
- Kuruli, Dist. Pune
- Nalagarh, Distt. Solan,
Himachal Pradesh

Auditors

M/s Manoj Mohan & Associates
Chartered Accountants

Bankers

Andhra Bank
Karur Vysya Bank

Registrar & Transfer Agents

Beetal Financial & Computer
Services Pvt. Ltd.
Beetal House
3rd Floor, 99, Madangir,
Behind L.S.C., New Delhi-110062
Tel.: 011-29255230
Fax: 011-29252146
E-mail: beetal@rediffmail.com



Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held as under:-

Day	:	Monday
Date	:	31st December 2007
Time	:	9.30 A.M.
Venue	:	Gat No. 614, Village Kuruli, Tal Khed, Pune - 410501

To transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June 2007 together with Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. D.S.Malik, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint a Director in place of Mr. S.E.Krishnan, who retires by rotation and being eligible offer himself for re-appointment.
4. To declare dividend.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the Authorised share capital of the Company be and is hereby increased from Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity Shares of Rs. 10/- each to Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 16 and all other applicable provision, if any, of the Companies Act, 1956 the existing (Clause-V) of the Memorandum of Association of the Company be and is hereby substituted and read as under:-

“The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs.10/- (Rupee Ten) each. with the power of the Company to increase or reduce or modify the said Share Capital and to divide the shares for the time being of the Company into several classes and to attach thereto preferential, qualified, special rights privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this above resolution.”

8. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the existing Articles 3 of the Articles of Association of the Company be and is hereby substituted and read as under:-

“The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs.10/- (Rupee Ten) each with the power of the Company to increase or reduce or modify the said Share Capital and to divide the shares for the time being of the Company into several classes and to attach thereto preferential, qualified, special rights privileges or conditions



as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this above resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/ regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India and/or any other regulatory authority, the listing agreement entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies, as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee of the Board constituted/to be constituted to exercise its powers conferred by this Resolution) be and is hereby authorized on behalf of the Company to issue and allot upto 17,00,000 Equity Shares of Rs.10/- per share at a premium of Rs. 230/- aggregating to Rs. 40.80 crores to promoter of the company by way of Preferential issue.

RESOLVED FURTHER THAT the relevant date for pricing of the shares is 30 days (i.e. 1st December, 2007) prior to the date of Annual General Meeting as per clause 13.1.1.1 of SEBI (Disclosure & Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the equity shares so issued, shall rank pari passu with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to the issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to take actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in the proposed issue, offer and allotment of the equity shares, including utilization of the issue proceeds, without being required to seek any further consent or approval of shareholders or otherwise to the end and intent that shareholder shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Company Secretary of the Company to give effect to this resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/ regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India and/or any other regulatory authority, the listing agreement entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies, as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee of the Board constituted/to be constituted to exercise its powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to create, offer, issue and allot upto 38,00,000 warrants, entitling the warrant holder(s) from time to time to apply for equity shares of the Company in two or more tranches, to promoter of the company by way of preferential issue, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of resultant equity shares of the Company against such warrants shall not exceed 38,00,000 (Thirty Eight lacs) fully paid equity shares of the face value of Rs. 10/- each at a premium of Rs. 230/- aggregating to Rs. 91.20 crores.



RESOLVED FURTHER THAT the relevant date for pricing of the shares is 30 days (i.e. 1st December, 2007) prior to the date of Annual General Meeting as per clause 13.1.1.1 of SEBI (Disclosure & Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the resultant equity shares to be issued and allotted upon exercise of right attached to the warrants in accordance with the terms of the offer(s) shall rank pari passu with the then existing equity shares of the Company in all respects and be listed on stock exchanges where the equity shares of the Company are listed;

RESOLVED FURTHER THAT for the purpose of giving effect to the issue and allotment of warrants and equity shares arising there from, the Board be and is hereby authorised on behalf of the Company to take actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in the proposed issue, offer and allotment of the said warrants and equity shares arising there from, including utilization of the issue proceeds, without being required to seek any further consent or approval of shareholders or otherwise to the end and intent that shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Company Secretary of the Company to give effect to this resolution."

11. To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 293(1) (d) and any other applicable provisions (if any) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money for and on behalf of the Company from time to time for the purpose of the Company notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, which have not been set apart for any specific purpose, but so that the total amount upto which the money may be borrowed shall not exceed Rs.2000 Crores (Rupee Two Thousand Crores Only) on account of the principal."

By order of the Board
For AHMEDNAGAR FROGINGS LIMITED

Place : New Delhi
Date : 1st December 2007

Sd/-
(A. K. SYAL)
Managing Director

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **THE PROXY FORM DULY COMPLETED, STAMPED AND SIGNED SHOULD REACH THE COMPANY'S OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
4. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M.
5. The Register of Members and Share Transfer Book of the Company will remain closed from 26th December, 2007 to 31st December 2007 (both days inclusive).
6. Members are requested to furnish bank details by 15th December, 2007 in order to enable the Company to print the same on the dividend warrants. In respect of members holding shares in electronic mode, bank details as furnished by the depositories to the Company will be printed on the dividend warrant.



7. The members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
8. The Members attending the General Meeting are requested to bring the enclosed attendance slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only after verification of the signature in the attendance slip, Duplicate Attendance Slip will be issued at the Registered Office of the Company upto a day preceding the day of Annual General Meeting.
9. Members who hold shares in de-materialised form are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
10. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting shall be paid on or before January 30, 2008.
 - a. To those shareholders whose names appear on the company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the company on or before December 26, 2007.
 - b. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business of December 26, 2007. In respect of shares held in demat mode, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by NSDL and CDSL for this purpose.
11. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the company.

12. Electronic Clearing Services (ECS) facility

With respect to payment of dividend, the Company provides ECS facility to all members, holding shares in electronic/physical forms. Members holding shares in the physical form who wish to avail ECS facility may furnish to the Company/Registrar & Share Transfer Agents, with their ECS mandate in the prescribed form, which is available elsewhere in the Annual Report or can be obtained from the Registrar & Share Transfer Agents.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/RE-APPOINTED

Name	Mr. D.S.Malik
Date of Birth	28th May, 1950
Qualification	B.E.(Mech)
Profession	Service
Expertise	Vast experience in the field of project engineering & manufacturing of auto component & settingup of greenfield projects.
Other Directorships	Amtek Auto Limited Amtek India Limited WHF Precision Forgings Limited Adhbhut Industrial and Resources Limited Amtek Tekfor Automotive Limited Symbios Personnel Advices and Services Limited Alliance Hydro Power Limited
Shareholding in the Company	Nil



Name	Mr. S. E. Krishnan
Date of Birth	6th June, 1940
Qualification	B.E.(Mechanical)
Profession	Service
Expertise	Development of Auto Components
Other Directorships	Amtek Ring Gears Limited Amtek Crank Shaft (India) Limited
Shareholding in the Company	Nil

Annexure to Notice

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

ITEM NO. 6

In connection with the proposed preferential issue of shares, the company proposes to increase its Authorised Share Capital. The existing Authorised Share Capital of the company is Rs. 35 Crores and it is proposed to increase the Authorised capital to Rs. 40 Crores.

Consequent to increase in the Authorised share capital, it is necessary to change the existing Capital clause of the Memorandum of Association of the company and Article 3 of the Articles of Association of the company.

None of the Directors is concerned or interested in the proposed resolution.

ITEM NO. 7 & 8

Pursuant to Section 16 and 31 of the Companies Act, 1956 read with Section 94 of the said Act, the above said amendment should be approved by the shareholders of the company by way of Special Resolution. Therefore, your Directors recommend the proposed resolutions giving effect to the above amendments for your approval.

Consequent to increase in Authorised Share Capital of the company, it is necessary to make amendments/replacements/alterations in the existing Article 3 of the Articles of Association of the company. Therefore, it is proposed to make the required amendments/replacements/alterations in the existing Article 3 of the Articles of Association of the company.

None of the Directors is concerned or interested in the proposed resolution.

Item No. 9

The Special Resolution concerns proposal by the Company to issue, offer and allot upto 17,00,000 Equity Shares of Rs.10/- per share at a premium of Rs.230/- Per share representing 4.87% of the expended capital to promoter of the company. The shares are being issued to augment long term resources of the Company for meeting the fund requirements of existing and new business, strategic acquisitions and investment and for general corporate purposes in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

The information required to be given in the notice calling Annual General Meeting, pursuant to SEBI (Disclosure & Investor Protection) Guidelines, is as under:-

I. The Object of the Issue through preferential offer:

The Preferential shares are being issued to augment long term resources of the Company, for meeting the fund requirements of existing and new business, strategic acquisitions and investment and for general corporate purposes in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

II. Intentions of promoters/directors/key management persons to subscribe to the offer:

Amtek Auto Limited, the promoter of the Company intend to fully subscribe the proposed preferential issue.

**III. Shareholding pattern before and after the issue:**

	Pre Issue Holding		Post Issue Holding	
	No. of Shares	%	No. of Shares	%
Promoter Group				
Acquirers	16666665	50.17	18366665	52.60
Total Holding of Promoter Group	16666665	50.17	18366665	52.60
MFs/Banks/FIIs/FIs	10493446	31.59	10493446	30.05
Private Bodies Corporate	2694628	8.11	2694628	7.71
General Public	3365261	10.13	3365261	9.64
Total	33220000	100.00	34920000	100.00

Consequent to the issue of aforesaid equity shares there will be no change in the Board of Directors of the Company and control over the Company. The Voting right would change in tandem with shareholding pattern of the Company.

IV. Proposed time within which the allotment shall be complete:

The allotment of equity shares shall be completed within 15 days from the date of passing of resolution granting consent for preferential issue by the shareholders of the Company.

If allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

V. Identity of the proposed allottees and percentage of post preferential issued capital:

Name of the allottees	Pre Preferential Issue Holding		Post Preferential Issue Holding	
	No.	%	No.	%
Amtek Auto Limited	16666665	50.17	18366665	52.60

VI. Pricing of the Issue:

The issue price of share has been calculated as per the provisions of SEBI (Disclosure & Investor Protection) Guidelines, 2000 and 1st December, 2007 has been taken as relevant date. The Issue price of share is Rs.10/- per share at a premium of Rs 230/- per share.

The allottees of above said preferential shares have not sold/transferred any shares within six months prior to relevant date (i.e. 01st December, 2007).

The Auditor's certificate certifying that the issue of equity shares is being made in accordance with the Guidelines will be available for inspection at the Registered Office of the Company during 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays) prior to the date of meeting.

The equity shares issued pursuant to the Resolution shall rank pari passu in all respects with the then existing equity shares of the Company and will be listed on Stock Exchanges where the equity shares of the company are listed.

The Board recommends the Special Resolution as set out in the Notice for members' approval.

Mr. Arvind Dham, being the Chairman and Promoter Director and Mr. D.S. Malik, Managing Director of Amtek Auto Limited, may be deemed to be concerned or interested in the Special Resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO. 10

The Special Resolution concerns proposal by the Company to issue upto 38,00,000 warrants, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the company, on preferential basis to promoter of the company in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.



The Convertible warrants are proposed to be issued on preferential basis to augment long term resources of the Company, for meeting the fund requirements of existing and new business, strategic acquisitions and investment and for general corporate in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 .

The information required to be given in the notice calling Annual General Meeting pursuant to SEBI (Disclosure & Investor Protection) Guidelines, is as under:-

I. The Object of the Issue through preferential offer:

The Preferential issue of warrants are being issued to augment long term resources of the Company for meeting the fund requirements of existing and new business, strategic acquisitions and investment and for general corporate purposes in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

II. Intentions of promoters/directors/key management persons to subscribe to the offer:

Amtek Auto Limited, the promoter of the company intend to fully subscribe the proposed preferential issue of warrants convertible into equity shares.

III. Shareholding pattern before and after the offer:

	Pre Issue Holding		Post Issue Holding	
	No. of Shares	%	No. of Shares	%
Promoter Group				
Acquirers	18366665	52.60	22166665	57.25
Total Holding of Promoter Group	18366665	52.60	22166665	57.25
MFs/Banks/FIIs/FIs	10493446	31.59	10493446	27.10
Private Bodies Corporate	2694628	8.11	2694628	6.96
General Public	3365261	10.13	3365261	8.69
Total	34920000	100.00	38720000	100.00

Consequent to the issue of warrants and upon conversion of warrants into equity shares, there will be no change in the Board of Directors of the Company and control over the Company. The Voting right would change in tandem with shareholding pattern of the Company.

IV. Proposed time within which the allotment shall be complete:

The allotment of equity shares shall be completed within 15 days from the date of passing of resolution granting consent for preferential issue by the shareholders of the Company.

If allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval).

V. Identity of the proposed allottees and percentage of post preferential issued capital:

The shareholding pattern and the identity of the proposed allottees before and after the preferential issue considering full allotment of equity shares arising out of the issue of warrants is given below:

Name of the allottees	Pre Preferential Issue Holding		Post Preferential Issue Holding	
	No.	%	No.	%
Amtek Auto Limited	18366665	52.60	22166665	57.25

VI. Pricing of the Issue:

The issue price of share has been calculated as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and 01st December, 2007 has been taken as relevant date. The Issue price of share is Rs.10/- per share at a premium of Rs 230/- per share.



The allottees of above said preferential warrants have not sold/transferred any shares within six months prior to relevant date (i.e. 01st December, 2007).

Terms and conditions for Issue of warrants convertible into equity shares:

An amount equivalent to 10% of the issue price shall be payable on allotment of warrants.

The warrant holder shall be entitled to apply for and be allotted, in two or more tranches, one equity share of Rs.10/- each fully paid up against each warrant of the Company, any time after the date of allotment of warrants but on or before the expiry of 18 months from the date of allotment of such warrants. Upon exercise of the right to apply for equity shares, the warrant holders will be liable to make the payment of the balance amount, being 90% of the issue price. The amount paid will be adjusted/set off against the issue price of the resultant equity shares. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price, shall allot one equity share per warrant. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited.

The warrant holder shall also be entitled to future bonus/right issue(s), if any, of equity shares or other securities convertible into equity shares by the company in the same proportion and manner as any other shareholder of the Company and the Company shall reserve proportion of such entitlement for the warrant holder.

The warrants issued under the preferential offer shall be subject to lock-in for a period of three years from the date of allotment of warrants. The lock-in on the shares allotted on exercise of the option attached to the warrants shall be reduced to the extent the warrants have already been locked-in.

The Auditor's certificate certifying that the issue of warrants is being made in accordance with the Guidelines will be available for inspection at the Registered Office of the Company during 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays) prior to the date of Meeting.

The equity shares arising out of issue of warrants pursuant to the resolution shall rank pari passu in all respects with the then existing equity shares of the Company and will be listed on Stock Exchanges where the equity shares of the company are listed.

The Board recommends the Special Resolution as set out in the Notice for members' approval.

Mr. Arvind Dham, being the Chairman and Promoter Director and Mr. D.S. Malik, Managing Director of Amtek Auto Limited, may be deemed to be concerned or interested in the Special Resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO. 11

Pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of the Company can not, except with the consent of the Company in the General Meeting, borrow money in the aggregate (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) which may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserve not set apart for any specific purpose.

Presently, as per the resolution passed under Section 293(1) (d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 13th September, 1996, the Board of Directors of the Company are authorized to borrow funds up to Rs.100 Crores. Considering the increase in the level of operations and expansion plans of the Company, the Board feels that this limit need to be increased to Rs.2000 Crores over and above the paid up capital and free reserves of the Company for the time being.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

By order of the Board
For AHMEDNAGAR FORGINGS LIMITED

Place : New Delhi
Date : 1st December 2007

Sd/-
(A. K. SYAL)
Managing Director