



Amforge Industries Limited





Amforge Industries Limited

Annual Report 2010-2011

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BOARD OF DIRECTORS:

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

REGD / CORPORATE OFFICE :

108 -111, Raheja Chambers
Free Press Journal Marg
Nariman Point, Mumbai – 400021.
Tel : 022-66365962
Fax : 022- 66365964
Email: amfcosec@mtnl.net.in /
secretarial@amforgeindustries.com
Web: www.amforgeindia.com

WORKS:

32-D-2- MIDC Area
Chinchwad, Pune-411019
Maharashtra State.

(Since Closed)

AUDITORS :

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

SOLICITORS :

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

39TH ANNUAL GENERAL MEETING

on Friday, the 30th September, 2011
at 2.30 p.m.

At Maharashtra Chamber of Commerce,
Babasaheb Dahanukar Hall,
Oricon House, 6th Floor 12, K.Dubash Road,
Fort, Mumbai-400001

REGISTRAR & TRANSFER AGENTS:

M/s. Sharex Dynamic (India) Pvt Ltd.
Unit-1, Luthra Industrial Premises
Safed Pool, Andheri-Kurla Road
Andheri (E), Mumbai-400072.
Tel: 022-28515644. Fax: 022-28512885.
Email - sharexindia@vsnl.com

NOTICE

Notice is hereby given that the **39TH ANNUAL GENERAL MEETING of AMFORGE INDUSTRIES LIMITED** will be held on Friday, the 30th September, 2011 at 2.30 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Orion House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai-400 001 to transact the following ordinary business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on that date, together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Sunil K. Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Yogiraj Makar, who retires by rotation and, being eligible, offers himself for re-appointment
4. 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.

By Order of the Board of Directors

Puneet Makar
Chairman & Managing Director

Registered Office:

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

Place: Mumbai
Date: 29-8-2011

NOTES:

- a) 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.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2011 to 30th September, 2011(both days inclusive).
- c) Members, who desire any information as regards to 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.
- d) Members holding shares in physical form are requested to demat them immediately.
- e) Members are requested to notify change in address, if any, to the Company's Registrar & Transfer Agent / Depository Participants, for future correspondence.
- f) The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies. The companies are now permitted to send various notices / documents to its members through electronic mode to their registered e-mail addresses. Members who have not registered their email addresses are requested to register / update email address with the company / depository participants, as the case maybe, from time to time.

To support this Green Initiative, members are requested to register / update their e-mail addresses, with their Depository Participants (in case of demat holding) / Company of its Registrar (in case of physical holdin
- g) Debentureholders, who have not claimed debenture interest / redemption, are requested to claim immediately since the amount remained unclaimed for more than 7 years shall be transferred to IEPF, pursuant to section 205 (c) of the Companies Act, 1956.

DETAILS OF DIRECTORS BEING APPOINTED AT ANNUAL GENERAL MEETING
(In Pursuance of Clause 49 (IV)(G)(i) of the Listing Agreements)

Name of Director	Shri. Sunil. K. Aggarwal	Shri. Yogiraj Makar
Age	51	82
Qualification	BBA (USA)	B.Sc., (Metallurgy)
Date of Appointment	24-03-2005	21-4-1971
Expertise	Administration and Finance	Vast experience in manufacturing of forgings and renowned figure in the forging industries in India.
Other Directorships	Vornado Realty India Advisors Pvt. Ltd. Vornado Hinjewadi Township Pvt.Ltd.	Devidass Private .Limited Dujon Commercial Private Limited
Chairman / Member of the Committees	Chairman - Audit Committee Remuneration Committees (Amforge Industries Ltd)	

DIRECTORS' REPORT

To the Members

AMFORGE INDUSTRIES LIMITED

Your Directors hereby present the 39th Annual Report and audited statement of accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

	(Rs. in 000's)	
	<u>2010-11</u>	<u>2009-10</u>
Gross Revenue	22836.36	4518.16
Gross Profit before Interest, Depreciation, Amortization and Tax	(70873.54)	(37196.89)
Interest	(8964.42)	(2206.51)
Operating Profit (Loss) before Depreciation & Amortization	(79837.96)	(39403.40)
Depreciation	(8862.53)	(9349.82)
Operating Profit/(Loss) for the year	(88700.49)	(48753.22)
Other Extra Ordinary Gains (Net)	19179.76	(4630.75)
Profit / (Loss) for the year	(69520.73)	(53383.97)
Prior Period's adjustments (Net)	(6895.46)	(637.17)
Net Profit / (Loss)	(76416.19)	(54021.14)
Provision for Current Tax(Wealth Tax)	(36.13)	(62.00)
Provision for Fringe Benefit Tax	-	-
Provision for Deferred Tax	22426.00	1235.00
Profit / (Loss) after Tax	(54006.32)	(52848.14)
Balance Profit/(Loss) brought forward from previous year	(362082.72)	(309234.58)
Balance carried to Balance Sheet	(416089.04)	(362082.72)
EPS (Rs.)	(3.64)	(3.57)

FINANCIALS:

During the year under review, your Company's gross revenue is Rs. 22836.36 thousands [Previous Year: Rs. 4518.16 thousands]. Gross Profit / (Loss) before interest, depreciation and tax amounted to Rs. (70873.54) thousands [Previous Year Rs. (37196.89) thousands]. Operating Cash Profit / (Loss) before depreciation and amortization is Rs. (79837.96) thousands [Previous Year Rs. (39403.40) thousands]. The Net Loss came to Rs. (76416.19) thousands [Previous Year: Rs. (54021.14) thousands].

DIVIDEND:

In view of losses your directors do not recommend any dividend for the year.

PUBLIC DEPOSITS AND LOANS / ADVANCES:

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

The company extended a loan amount of Rs.25000/- (Rupees Twenty-five thousand only) to its subsidiary, Dujon Commercial Private.Ltd, during the financial year.

DIRECTORS SEEKING RE-APPOINTMENT:

Shri. Sunil K. Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. 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, 2011 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.

SUBSIDIARY COMPANY:

Pursuant to section 212 of the Companies Act, 1956, containing details of the Company forms part of the Annual Report and as such, consolidated financial statements prepared in strict compliance with applicable accounting standards as per Listing Agreement, as prescribed by SEBI.

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In accordance with the general circular No.2/2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company (Dujon Commercial Private Limited) is not being attached with the Balance Sheet of the Company. The Company will make available the annual accounts of the subsidiary company and the related detailed information to any member who may be interested in obtaining the same. Further, the annual accounts of the subsidiary would also be available for inspection by any member during working hours upto the date of Annual General Meeting.

The Company has divested its equity holdings in the wholly owned subsidiary, M/s. Dujon Commercial Private Limited during the financial year 2010-2011 and subsequently it has sold off the balance holdings in the subsidiary company.

AUDITORS:

M/s. Bansal & Associates, Chartered Accountants 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has ceased to carry on any manufacturing activity for last two years, as such, there is nothing to report as to the Conservation of Energy and Technology Absorption.

Foreign Exchange Earning : Nil

Foreign Exchange Outgo : Nil

MANAGEMENT DISCUSSION AND ANALYSES:

Pursuant to Clause-49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Management Discussion and Analysis is required to be annexed to this report. However, the same has not been attached due to suspension of manufacturing activity from December, 2008.

Subsequent to the financial year under review, the company disposed off the assets of its Chinchwad plant pursuant to the special resolutions passed by the members of the Company, through Postal Ballot.

The Company is exploring new areas of business activities in terms of the Memorandum of Association of the Company.

PERSONNEL:

There are no employees to be reported under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE:

Pursuant to Clause-49 of the Listing Agreement, a report on Corporate Governance is annexed to this report, as Annexure-1.

COMPLIANCE CERTIFICATES:

Pursuant to Clause 49 of the Listing Agreement, compliance certificate on Corporate Governance issued by Practising Company Secretary is annexed to this report, as Annexure-2.

Pursuant to Section 383A of the Companies Act, 1956, Compliance certificate issued by Practising Company Secretary is annexed to this report, as Annexure-3.

CEO / CFO CERTIFICATION:

Pursuant to Clause- 49 V of the Listing Agreement, certificate issued by CEO/CFO of the company is annexed to this report, as Annexure-4.

ACKNOWLEDGMENT:

Your Directors wish to place on record their sincere thanks to all members and employees for their continued support and co-operation.

For and on behalf of the Board of Directors

Puneet Makar
Chairman & Managing Director

Place: Mumbai

Date: 29-8-2011

ANNEXURE - 1 TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

1. The Company practices Corporate Governance as a continuing exercise.

2 Board of Directors:

During the year 2010-2011, the composition of the Board of Directors was such that it complied with the requirements of Independent and Non-Executive Directors.

The Directors of the Company are not holding the Directorships more than the ceiling prescribed nor are the memberships of committee on more than 10 committees and Chairman of more than 5 committees in across all the companies where they are directors.

Composition and Category of Directors:

Name of Directors	Category
Shri Puneet Makar	Promoter & Executive Chairman & Managing Director
Shri Yogiraj Makar	Promoter & Non-Executive Director
Shri. Fali P. Mama	Non-Independent & Non-Executive Director
Shri. Sunil Aggarwal	Independent & Non-Executive Director
Shri. B.L. Gupta	Independent & Non-Executive Director
Shri. Rakesh Khanna	Independent & Non-Executive. Director

The attendance of the Directors at the Meetings of Board of Directors held during the financial year 2010-2011 and the last Annual General Meeting is as follows:

Date of Board of Directors Meeting	Number of Directors Present
14-05-2010	6
10-06-2010	5
29-07-2010	5
02-09-2010	5
11-11-2010	5
03-02-2011	5
01-03-2011	4
15-03-2011	5
30-09-2010 (AGM)	5

There is no gap of more than four months between two consecutive Board meetings.

Name of the Directors	Number of Board Meeting attended	Attendance at the AGM
Shri. Puneet Makar	5	Present
Shri Yogiraj Makar	6	-
Shri. Fali P. Mama	8	Present
Shri. B.L.Gupta	8	Present
Shri. Sunil K. Aggarwal	6	Present
Shri. Rakesh Khanna	7	Present

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Number of Directorships of other Companies and Membership of Board Committees:

Name of Director	Number of BoD of Other Companies	Number of Membership of BoD's Committees	Number of Chairmanship of BoD's Committees
Shri Yogiraj Makar	2	-	-
Shri Puneet Makar	5	-	-
Shri. Fali P. Mama	5	2	-
Shri. B.L Gupta	-	-	-
Shri. Sunil Aggarwal	2	-	-
Shri. Rakesh Khanna	13	10	5

None of the Directors holds any Equity Shares in the Company except Shri. Puneet Makar (Promoter-Executive) holding 2168573 Equity Shares, Shri. Yogiraj Makar (Promoter-Non-Executive) including HUF holding 420306 Equity Shares, and Shri. Fali P. Mama (Non-Independent-Non-Executive) holding 2200 Equity Shares.

3. Committees of Board of Directors :

Audit Committee :

Pursuant to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the company has an audit committee of the Board of Directors. The audit committee was as under:

- Shri. Sunil K. Aggarwal - Chairman
- Shri. Rakesh Khanna - Member
- Shri. Fali P. Mama - Member

The Audit Committee has been entrusted with the blend of functions and responsibilities as are given in Clause 49 of the Listing Agreement and as stated under Section 292A of the Companies Act, 1956. The terms of reference include overseeing financial reporting process, internal control system, reviewing the accounting policies and practices and financial statements audited by the statutory auditors as also to review financial and risk management policies.

The record of attendance of the Audit Committee during the financial year 2010-2011 is as under:

Name of Directors	Date of Meetings				
	14-5-2010	29-7-2010	2-9-2010	11-11-2010	3-2-2011
Shri. S.K. Aggarwal	Present	Present	Present	Present	-
Shri. Rakesh Khanna	Present	Present	-	Present	Present
Shri. Fali P. Mama	Present	Present	Present	Present	Present

4. Remuneration Committee:

The Remuneration Committee was as under:

- Shri. Sunil Aggarwal - Chairman
- Shri. B.L. Gupta - Member
- Shri. Rakesh Khanna - Member
- Shri. Fali Mama - Member

The scope and functions of the Remuneration Committee covers the requirement of the Corporate Governance and Schedule XIII to and any other provisions of the Companies Act, 1956.

No Remuneration Committee Meetings were held during the financial year.

Details of the sitting and other fees paid to the Non-Executive Directors for the financial year 2010-2011 :

Name of the Directors	Sitting fees paid for attending Board / Committee Meetings (Rs.)	Professional Fees (Rs.)
Shri. Yogiraj Makar	-	13,23,600.00
Shri Fali Mama	-	6,00,000.00
Shri. B.L Gupta	12,000.00	-
Shri. Sunil Aggarwal	16,500.00	-
Shri. Rakesh Khanna	16,500.00	-

5. Shareholders / Investors' Grievance Committee (SIGC):

The SIG Committee was under :

- Shri. B.L. Gupta - Chairman
- Shri. Fali P. Mama - Member
- Shri. Puneet Makar - Member

Shri. Puneet Makar, Promoter, Executive Chairman & Managing Director of the Company, continued to be the Compliance Officer.

The Committee meets as and when required. Since the Share Transfer Executive Committee is entrusted to look after the shareholders/ investors grievances like non-receipt of share certificate, duplicate share certificates, annual reports, debenture interest and transfer of shares, etc.

Complaints received and redressed during the period from 1st April, 2010 to 31st March, 2011 are tabled below :

Nature of Complaint	Complaints Received from 1-4-2010 to 31-03-2011						Total	Re-dressed	Not Re-dressed	Reason (s) for non redressal
	SEBI	Stock Exchange	ROC	Dept. of Company Affairs	Consumer Forum	Investors				
Non- receipt of Shares	2	-	-	-	-	-	2	2	-	-
Non -receipt of Dividend	2	-	-	-	-	-	2	2	-	-
General	-	-	-	-	-	-	-	-	-	-
Non-receipt of Deb.interest	2	-	-	-	-	-	2	2	-	-
Non-receipt of New S/C.	-	-	-	-	-	10	10	10	-	-
TOTAL	6	-	-	-	-	10	16	16	-	-

6. The General Body Meetings held in the last three years :

SR.NO.	DATE	DAY & TIME	VENUE	REMARKS
1.	29-9-2008	Monday 12.00 Noon	Maharashtra Chamber of Commerce Babasaheb Dahanukar Sabhagriha, Oricon House, 6 th Floor, Fort, Mumbai – 400 001	36 th AGM
2.	30-9-2009	Wednesday 2.30 p.m.	Maharashtra Chamber of Commerce Babasaheb Dahanukar Sabhagriha, Oricon House, 6 th Floor, Fort, Mumbai – 400 001	37 th AGM
3.	30-9-2010	Thursday 2.30 p.m.	Maharashtra Chamber of Commerce Babasaheb Dahanukar Sabhagriha, Oricon House, 6 th Floor, Fort, Mumbai – 400 001	38 th AGM

7. Disclosures :

Related Party Transactions (Rs. Lacs) :

	ICD/Loan Transaction					Other Transactions		
Name of the Parties / Person	Opening Balance 1-4-2010	Received	Paid / Repaid	Closing Balance 31-3-2011	Max. Amount outstanding during the year	Payment of Interest	Payment of rent	Payment of Salary / Fees
Nainesh Inv & Tradg Co.Pvt. Ltd	82.70	481.05	59.40	504.35	-	31.33		5.00
Viniyog Inv. & Tradg Co. Pvt. Ltd	41.60	785.50	229.00	598.10	-	46.66	-	-
Devidass Pvt.Ltd	-	19.00	1.00	18.00	-	1.41	-	-
Makar Estate	-	-	-	-	-	-	1.20	-
Dujon Comml.Pvt.Ltd. Investment (Subsidiary)	19.75	-	0.25	20.00	-	-	-	-
Sub Total	144.05	1285.55	289.65	1140.45	-	79.40	1.20	5.00
Key Management Personnel								
Yogiraj Makar	-				-	-	-	13.24
Puneet Makar	-	102.50	30.50	72.00	-	5.48	-	31.36
Sub Total	144.05	102.50	30.50	72.00	-	5.48	-	44.60
Total	144.05	1388.05	320.15	1212.45	-	84.88	1.20	49.60

Code for prevention of insider trading practices :

The Company has formulated, adopted and implemented Code of Conduct for prevention of insider trading in the shares of the Company pursuant to provisions of SEBI (Prohibition on Insider Trading) Regulations, 1992. This Code is applicable to senior management and certain other employees, directors, etc. while in possession of unpublished price sensitive information in relation to the Company.

Codes of Conduct :

A Code of Conduct has been prescribed for all senior management personnel and directors to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. The Senior Management Personnel have given annual confirmation of adherence to the Code of Conduct.

9. Means of Communication :

The Company is publishing quarterly financial results in English Newspaper (Free Press Journal) and in Marathi Newspaper (Navshakti) being published from Mumbai.

The Company is submitting its financial results, shareholding patterns, annual reports and also intimating all the required events to be intimated to the Bombay Stock Exchange Limited (BSE) where the equity shares of the Company are listed.