

**41ST | ANNUAL REPORT
2012-2013**



Amforge Industries Limited

AMFORGE INDUSTRIES LIMITED

Annual Report 2012-2013

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Board of Directors:

Shri. Puneet Makar
 Shri. Yogiraj Makar
 Shri. Fali P. Mama
 Shri. Rakesh Khanna
 Shri. Sunil Aggarwal
 Shri. Bhushanlal Gupta
 (up to 11-7-2013)

Registered Office:

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

Telephone: 022-66365962 / 66365693
 Fax : 022- 66365964

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.

41st Annual General Meeting on Monday, the 30th September, 2013 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 41st Annual General Meeting of Amforge Industries Limited will be held on Monday, the 30th September, 2013 at 3.00 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai – 400 001 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss for the year ended on that date, and the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri. Fail P. Mama, 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.

SPECIAL BUSINESS:

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

“RESOLVED THAT Dr. Hansraj Manchanda, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as Director.”

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

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

Place: Mumbai
Date: 12.8.2013

NOTES:

- a) The Explanatory Statement setting out the material facts concerning the Special Business mentioned under item No.5 of the notice as required u/s.173(2) of the Companies Act, 1956 is annexed.
- b) 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.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2013 to 30th September, 2013 (both days inclusive).
- d) 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.
- e) Members holding shares in physical are requested to demat them immediately.
- f) Members are requested to notify change in address, if any, to the Company's Registrar & Transfer Agent / Depository Participants, for future correspondence.
- g) Members/ Proxies are requested to bring the attendance slip duly filled up and the copy of the Annual Report at the Annual General Meeting.

**ANNEXURE TO THE NOTICE PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE
COMPANIES ACT, 1956**

EXPLANATORY STATEMENT

ITEM NO 5:

Dr. Hansraj Manchanda, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

Except Dr. Hansraj Manchanda, none of the directors is concerned or interested in the resolution.

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. Fali P. Mama | Shri. Yogiraj Makar | Dr .Hansraj Manchanda |
|-------------------------------------|--|---|---|
| Date of Birth | 22-1-1936 | 20-8-1929 | 3-7-1928 |
| Qualification | B.Sc., LLB | B.Sc. (Metallurgy) | MBBS, F.R.C.S. |
| Date of Appointment | 1.10.2003 | 21.4.1971 | 12.8.2013 |
| Expertise | Practicing as Management Consultant and is expert in purchase, commercial and operation areas. | Vast experience in manufacturing of forgings and renowned figure in the forging industries in India. | Consultant surgeon at Breach Candy Hospital and he was the Professor of Surgery and Head of Surgery at J. J. Hospital and Grant Medical College during 1960-85. He worked with leading hospitals both in India and abroad. He has been Director of Cipla Limited since 1983. |
| Other Directorships | M/s. Mahindra Forgings Ltd M/s. Salil Investments Pvt. Ltd. M/s. Viniyog Investment and Trading Company Private Limited. | M/s. Devidass Private Limited (Merged with M/s. Viniyog Investment and Trading Company Private Limited) | M/s. Cipla Limited |
| Chairman / Member of the Committees | Member - Audit, Remuneration and Shareholders / Investors Grievance Committees and Chairman - Share Transfer Executive Committee of Amforge Industries Ltd. Member – Audit, Share transfer & Shareholders / Investors Grievance Committees of Mahindra Forgings Limited. | -- | Member- Investors' Grievance Committee and Share Committee of Cipla Limited |

DIRECTOR'S REPORT

To:

The Members,
AMFORGE INDUSTRIES LIMITED.

Your Directors hereby present the 41st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS:

(₹ in 000's)

| | 2012-13 | 2011-12 |
|--|----------------|----------------|
| Total Income | 28,014.68 | 43,961.08 |
| Earnings before Interest, Depreciation, Exceptional items & Tax. | (16,370.81) | (29,724.07) |
| Less: Depreciation | 3,882.37 | 3855.80 |
| Profit / (Loss) before Interest, Exceptional items and tax | (20,253.18) | (33,579.87) |
| Less: Interest and Finance cost | 8,549.07 | 7267.79 |
| Profit / (Loss) before Exceptional items and tax | (28,802.25) | (40,847.66) |
| Less: Exceptional items | - | 55,596.56 |
| Profit / (Loss) before tax | (28,802.25) | 14,748.90 |
| Provision for Current Tax | - | 3,030.27 |
| Provision for Deferred Tax | (18283.00) | 19,558.00 |
| Profit / (Loss) after Tax | (10526.10) | (7,839.37) |
| Balance of Profit /(Loss) brought forward from previous year | (4,23,928.41) | (4,16,089.04) |
| (Loss) carried to Balance Sheet | (4,34,454.51) | (4,23,928.41) |

FINANCIALS:

During the year under review, your Company registered a total income of ₹ 28,014.68 thousands as against ₹ 43,961.08 thousands in the previous year and Earning Profit/(Loss) before Interest, Depreciation, Exceptional items and tax (₹ 16,370.81) thousands as against (₹ 29,724.07) thousands in the previous year. The Profit before tax for the year is (₹ 28,802.25) thousands, as against Loss ₹ 14,748.90 thousands, in the previous year.

DIVIDEND:

No dividend is recommended due to accumulated losses for the year under review.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public during the financial year.

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.
- 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 at 31st March, 2013 and of the loss of the Company for the year ended on that date.
- 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.
- the annual accounts have been prepared on a going concern basis.

DIRECTORS:

Shri. Bhushanlal Gupta, Director, resigned from the Board of the Company with effect from 12th July, 2013.

Dr. Hansraj Manchanda, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

Shri. Fali P. Mama, Director of the Company, who retires by rotation and, being eligible, offer himself, for re-appointment.

Shri. Yogiraj Makar, Director, of the Company, who retires by rotation and, being eligible, offer himself, for re-appointment.

AUDITORS:

M/s. Bansal & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and, being eligible, offer themselves, for reappointment.

OTHER INFORMATION:

As the Company does not own any undertaking where manufacturing activities are carried out, the information to be furnished under Companies (Disclosure of Particulars in the Report of Board of Directors), rules, 1988 is not applicable.

Foreign Exchange Earning : Nil
Foreign Exchange Outgo : Nil

MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause-49 of the Listing Agreement, the Management Discussions Analysis is required to be annexed to this report. As there is no manufacturing activity, the company continued with trading and the management shall explore other business activities in terms of Memorandum of Association of the Company.

EMPLOYEES:

There are no employees covered under the provisions of 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 and Section 383A of the Companies Act, 1956, certificates issued by Practising Company Secretary are annexed to this report, as Annexure-2 and 3 respectively.

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 : 12.8.2013

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 2012-2013, the composition of the Board of Directors was such that it complied with the requirements of Independent and Non-Executive Directors.

Composition and Category of Directors:

| Name of Directors | Category |
|--------------------------|--|
| Shri. Puneet Makar | Promoter & Executive Chairman & Mg. 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. Rakesh Khanna | Independent & Non-Executive Director |
| Shri. Bhushanlal Gupta | Independent & Non-Executive Director (up to 11-7-2013) |

The attendance of the Directors at the meetings of Board of Directors held during the financial year 2012-2013 and the last Annual General Meeting:

| Date of Board Meetings | No. of Directors Present |
|-------------------------------|---------------------------------|
| 29.05.2012 | 5 |
| 13.08.2012 | 6 |
| 08.11.2012 | 5 |
| 07.02.2013 | 4 |

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

| Sr. No. | Name of Directors | No. of meetings attended | Attendance at the AGM |
|----------------|--------------------------|---------------------------------|------------------------------|
| 1 | Shri. Puneet Makar | 1 | Present |
| 2 | Shri. Yogiraj Makar | 4 | - |
| 3 | Shri. Fali P. Mama | 4 | Present |
| 4 | Shri. Sunil Aggarwal | 3 | Present |
| 5 | Shri. Rakesh Khanna | 4 | Present |
| 6 | Shri. Bhushanlal Gupta | 4 | Present |

Number of Directorships and Membership of Board Committees as on 31.3.2013:

| Name of Directors | Total no. of directorships of Public companies | Total no of committee memberships of Public Companies | Total no.of Chairmanships of Public companies |
|--------------------------|---|--|--|
| Shri. Puneet Makar | 1 | 1 | - |
| Shri. Yogiraj Makar | - | - | - |
| Shri. Fali P. Mama | 2 | 4 | - |
| Shri. Sunil Aggarwal | - | - | 2 |
| Shri. Rakesh Khanna | 3 | 3 | 2 |
| Shri. Bhushanlal Gupta | - | - | - |

Note: Excludes directorship in Private Limited, Companies registered u/s.25, Associates and Subsidiary Companies.

Committees considered are Audit Committee and Shareholders' / Investors' Grievances Committee including that of Amforge Industries Limited.

None of the Directors holds any equity shares in the company except Shri. Puneet Makar (Promoter-Executive) holding 21,68,573 equity shares, Shri. Yogiraj Makar (Promoter-Non-Executive) including HUF holding 4,20,306 equity shares, and Shri. Fali P. Mama (Non-Independent-Non-Executive), holding 2,200 equity shares.

3. Committees of Board of Directors:

I Audit Committee:

Pursuant to Section 292A of the Companies Act, 1956 and Clause 49 (II) of the Listing Agreement, an Audit Committee has been duly constituted by the Board.

The Audit Committee has been entrusted with the blend of functions and responsibilities as are given in Clause 49 (II) 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 constitution of the Committee and attendance at the meetings are as under:

| Name of Directors | Date of Meetings | | | |
|----------------------|------------------|-----------|-----------|----------|
| | 29.5.2012 | 13.8.2012 | 8.11.2012 | 7.2.2013 |
| Shri. Sunil Aggarwal | Present | Present | Present | - |
| Shri. Rakesh Khanna | Present | Present | Present | Present |
| Shri. Fali P. Mama | Present | Present | Present | Present |

II. Remuneration Committee:

The Remuneration Committee, constitution of which is a non-mandatory requirement, was constituted by the Board to recommend/ review the remuneration package of the Managing Director / Whole-time Director (s). The constitution of the Remuneration Committee is as under:

| Name of Directors | Position |
|----------------------|----------|
| Shri. Sunil Aggarwal | Chairman |
| Shri. Rakesh Khanna | Member |
| Shri. Fali P. Mama | Member |

No meetings were held during the Financial Year.

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

The Shareholder's/ Investors' Grievance Committee is as under:

| Name of Director | Position |
|----------------------|----------|
| Shri. Sunil Aggarwal | Chairman |
| Shri. Fali P.Mama | Member |
| Shri. Puneet Makar | Member |

The Committee has been constituted, inter alia to consider the transaction carried out by the Share Transfer Executive Committee (STEC) of the Company regarding transfer and transmission of shares, issue of duplicate share certificates etc. and to look into the redressal of shareholders complaints.

Only one such meeting was held and all three members were present. The compliance officer of the Company is Shri. Puneet Makar.

4. Complaints received /redressed during the period from 1.4.2012 to 31.3.2013:

| Nature of Complaint | Complaints Received from 1.4.2012 to 31.3.2013 | | | | | Total | Redressed | Not Redressed | Reason (s) for non redressal |
|------------------------------------|---|----------------|------------------------|-----------|----------|----------|-----------|---------------|------------------------------|
| | SEBI | Stock Exchange | Registrar of Companies | Investors | Others | | | | |
| Non- receipt of s/c after transfer | - | - | - | - | 1 | 1 | 1 | - | - |
| Non-receipt of new s/c. | | | - | | 6 | 6 | 6 | | |
| Non receipt of Annual Report | - | - | - | - | 1 | 1 | 1 | - | - |
| TOTAL | - | - | - | - | 8 | 8 | 8 | | - |

5. Details of the sitting and other fees paid to the Non-Executive Directors for the financial year 2012-2013 :

| Name of the Directors | Sitting fees paid for attending board / committee meetings (₹) | Professional Fees (₹) |
|------------------------|--|-----------------------|
| Shri. Yogiraj Makar | - | 13,48,000/- |
| Shri. Fali P. Mama | - | 6,00,000/- |
| Shri. Sunil Aggarwal | 9,000/- | - |
| Shri. Rakesh Khanna | 12,000/- | - |
| Shri. Bhushanlal Gupta | 6,000/- | - |