

**47TH | ANNUAL REPORT
2018-2019**



Amforge Industries Limited

CIN : L28910MH1971PLC015119

CORPORATE INFORMATION

Board of Directors	Board Committees	
Mr. Puneet Makar Mrs. Reshma Makar Mr. Hudson D 'costa Mr. Sunil Aggarwal Mr. Rakesh Khanna Mr. Sanjay Patel	<u>Audit Committee</u> Mr. Sunil Aggarwal - Chairman Mr. Rakesh Khanna - Member Mr. Sanjay Patel - Member	
Registered Office	<u>Nomination & Remuneration Committee</u> Mr. Sunil Aggarwal - Chairman Mr. Rakesh Khanna - Member Mr. Sanjay Patel - Member	
Amforge Industries Limited 1104-A, Raheja Chambers, 11 th Floor Free Press Journal Marg Nariman Point Mumbai – 400021. Tele : 022-22828933/22821486. Fax : 022-66365964 e-mail : amfcosec@mtnl.net.in Website : www.amforgeindia.in	<u>Stakeholders' Relationship Committee</u> Mr. Sunil Aggarwal - Chairman Mr. Sanjay Patel - Member Mr. Hudson D 'costa - Member	
CIN : L28910MH1971PLC015119 Scrip Code : 513117 ISIN : INE991A01020 GST : 27AAACA8756A1ZV	Bank: Punjab National Bank 1 st Floor, Raheja Chambers Free Press Journal Marg Nariman Point, Mumbai-400021.	
Registrar & Transfer Agents (RTA)	Statutory Auditors	
Sharex Dynamic (India) Pvt. Ltd. C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai–400083. Tele : 022-28515606/2851 5644 Fax : 022-28512885 e-mail : support@sharexindia.com website : www.sharexindia.com	M/s. J Singh and Associates Chartered Accountants 505-507, Hub Town Viva Western Express Highway Shankarwadi Andheri (West) Mumbai – 400060.	
Venue of AGM and Time	Contents	Page No.
Maharashtra Chamber of Commerce, Industry & Agriculture Babasaheb Dahanukar Hall Oricon House, 6 th Floor Fort, 12, K. Dubash Road Mumbai–400001. On Monday, 16th September, 2019 @ 2.30 p.m.	Notice	3-9
	Board's' Report	10-25
	Corporate Governance	26-35
	Auditors Report	36-41
	Balance Sheet	42
	Statement of Profit and Loss	43
	Cash Flow Statement	44
	Notes to Financial Statement	45-63

NOTICE

Notice is hereby given that the **47th Annual General Meeting of Amforge Industries Limited** will be held on Monday, 16th September, 2019 at 2.30 p.m., at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry and Agriculture, 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 Financial Statements for the financial year ended 31st March 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Reshma Makar (DIN-00019758), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Re-appointment of Auditors and fixing their remuneration:**

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules 2014 (including any Statutory modification(s) or re-enactments thereof for the time being in force, J Singh and Associates, Chartered Accountants, (Firm Registration No.110266 W), be and are hereby appointed as Auditors of the Company for a second term of 5 (five) consecutive years from the conclusion of this 47th Annual General Meeting till the conclusion of 52nd Annual General Meeting on such Remuneration as may be fixed by the Board or Committee.”

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Sunil K. Aggarwal as an Independent Non-Executive Director:**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule- IV to the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, Mr. Sunil K. Aggarwal (DIN: 00005385), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (LODR), Regulations, 2015, as amended from time to time, and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold the office for a second term of five consecutive years with effect from 12th September, 2019 to 11th September, 2024, and whose, office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT any Directors of the Company and/or the Company Secretary be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

5. **Re-appointment of Mr. Rakesh Khanna as an Independent Non-Executive Director:**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule- IV to the Act and Regulation 16(1)(b) of the SEBI (LODR), Regulations, 2015, Mr. Rakesh Khanna (DIN: 00040152), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (LODR), Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold the office for a second term of five consecutive years with effect from 12th September, 2019 to 11th September, 2024, and whose, office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT any Directors of the Company and/or the Company Secretary be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

By Order of the Board of Directors
AMFORGE INDUSTRIES LIMITED
Hudson D 'costa
Managing Director
DIN: 07893177

Place: Mumbai

Date 31st July, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF THE MEMBER AND THE PROXY (IES) NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, DULY COMPLETED AND SIGNED SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy, and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books shall remain closed from 10th September, 2019 to 16th September, 2019, both days inclusive.
4. Corporate Members intending to send their authorized representatives U/s. 113 of the Companies Act, 2013 to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
5. The Business set out in the notice shall be transacted through electronic voting system. Please see the Instructions and other information relating to electronic voting at serial no.14.
6. Members to notify any changes in their address, transfer of shares, transmission of shares and duplicate share certificates, bank mandates, email address, etc., to the Registrar & Share Transfer Agents for shares held in physical form, and to their respective Depository Participant(s) for shares held in electronic form.
7. Members to quote their Registered Folio Numbers or Demat Account Numbers and Depository Participant (DP) ID Numbers on all correspondence with the Company or to the Registrar & Share Transfer Agents.
8. Members / Proxy holders are requested to bring their copies of the Annual Report to the meeting.
9. Members/ Proxies should bring the Attendance slips duly filled in for attending the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their concerned Depository Participants and Members holding shares in physical form to submit copy of their PAN to the Company or to the Registrar & Share Transfer Agents.
11. The Equity shares of the Company are trading on the BSE Limited, Mumbai, and the requisite annual listing fee is paid.
12. Relevant documents are open for inspection by the Members at its registered office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the meeting.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving paperless communication including Annual reports, notices, circulars, etc. electronically.

- 14 In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-voting facility of Link Intime India Private Limited (LIPL) for its shareholders to cast their votes electronically on the item of business mentioned in the notice.

The voting period begins on Friday, 13th September, 2019 @ 9.00 A.M. (IST) and will end on Sunday, 15th September, 2019 @ 5.00 P.M. (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 9th September, 2019 (**Record Date**) may cast their vote electronically. Thereafter e-voting module shall not available for evoting.

The instructions for shareholders to vote electronically are as under:

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL:
Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
 - b. Shareholders holding shares in demat account with CDSL:
Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate):
Your User ID is Event No + Folio Number registered with the Company.
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in demat Form or Physical Form
PAN	Enter your 10 digit alphanumeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with Depository Participant or in the Company's record are requested to use the sequence number, which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account number in order to register. If the above-mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his / her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the Resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ against” for voting.

Cast your vote by selecting appropriate option i.e. Favour / against, as desired.

8. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour /against’.
9. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
10. After selecting the appropriate option i.e. Favour / against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
11. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
12. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

xvi) **General Instructions:**

- a) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. 9th September, 2019. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- b) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date of 9th September, 2019, may obtain the login ID and password by sending a request at insta.vote@linkintime.co.in or calling on 022-49186000.
- c) M/s. Sandeep Dubey & Associates, Practicing Company Secretaries (M.No.47940) shall scrutinize the electronic voting and ballot process in a fair and transparent manner. **Email: cs.sandeepdubey@gmail.com.**
- d) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- e) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after.
- f) The route map of the venue of the meeting is annexed to this Notice / Annual Report.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

Pursuant to Section 102 (1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice dated 31st July, 2019:

Item Nos. 4 and 5 pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and the applicable provisions of the erstwhile Listing Agreement with the Stock Exchanges, Mr. Sunil K. Aggarwal (DIN: 00005385), and Mr. Rakesh Khanna (DIN: 00040152) were appointed as the Independent Directors of the Company to hold office for a term of five (5) consecutive years ("first term") in line with the explanation to Sections 149 (10) and 149 (11) of the Act). As per the provisions of Section 149 of the Act read with the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, an Independent Director shall hold office, as such, for a term up to five (5) consecutive years on the Board of Directors of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in the Directors' Report. Section 149(11) of the Act provides that an Independent Director may hold office for up to two consecutive terms.

Further, as per the amended provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which is effective from 1st April, 2019, a person who has attained the age of seventy five (75) years can continue as non-executive director in a listed Company, provided approval of its members is obtained by way of special resolution and justification for appointing, such a person is indicated in the explanatory statement.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 31st July, 2019, has recommended the appointment of Mr. Sunil K. Aggarwal, and

Mr. Rakesh Khanna as Independent Directors of the Company, not liable to retire by rotation, for another term of five consecutive years with effect from 12th September, 2019 to 11th September, 2024.

The Board of Directors and the Nomination and Remuneration Committee in their respective meeting(s) held on 31st July, 2019, placed on record that the above Independent Directors are highly renowned professionals drawn from diverse fields, who bring with them a wide range of skills and experience to the Board, which enhances the quality of Board's decision-making process. The Company has immensely benefitted from their vast experience, knowledge and strategic insights on various matters relating to the Company's business. The Board of Directors based on the recommendations of the Nomination and Remuneration Committee, recommends that it will be in the interest of the Company to re-appoint them as Independent Directors for another term of five consecutive years.

Mr. Sunil K. Aggarwal and Mr. Rakesh Khanna have given their consents to act as Independent Directors of the Company and have furnished necessary Declarations to the Board of Directors that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. Further, as per the declarations received by the Company, Mr. Sunil K. Aggarwal and Mr. Rakesh Khanna, are not disqualified to be re-appointed as Directors in terms of Section 164 of the Act and given their consents (individually and severally) to act as Director. The Company has received notice(s) in writing from member(s) under Section 160 of the Companies Act, 2013 proposing their candidature for the office of the director of the Company.

By Order of the Board of Directors
AMFORGE INDUSTRIES LIMITED
Hudson D'costa
Managing Director
DIN: 07893177

Place: Mumbai
Date: 31st July, 2019

Annexure to AGM Notice

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of Director	Mr. Sunil Aggarwal	Mr. Rakesh Khanna
DIN	00005385	00040152
Date of Birth	21/04/1960	14/01/1952
Nationality	Indian	Indian
Date of appointment on the Board of Directors of the Company	24/03/2005	29/01/2009
Qualifications and Experience (including nature of expertise in specific functions) brief resume	BBS - United States of America. Expertise in Finance and Administration fields.	B.Com (Hons), Fellow member of ICAI (FCA) and served the industry in India in various capacities over last 4 decades.
Number of shares held in the Company	Nil	Nil
List of Directorships held in other Companies	Devidayal Rolling and Refineries Pvt. Ltd. Viniyog Investment and Trading Company Private Limited	GeeCee Ventures Limited ITI Asset Management Limited Geltec Private Limited Universal Medicare Private Limited Foundation For Promotion Of Sports And Games Capsulation Services Private Limited Ceecee Fincap Limited
Chairman / Membership of the Committees of the Board of the Companies in which he is Director.	AMFORGE INDUSTRIES LIMITED Chairman – Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee	AMFORGE INDUSTRIES LIMITED Member – Audit Committee Nomination & Remuneration Committee GEECEE VENTURES LIMITED Chairman- Audit Committee Nomination & Remuneration Committee Member – CSR Committee, Stake- holders Relationship Committee
Relationship with other Directors, Manager, and key Managerial Personnel of the Company	N.A.	N.A.
Number of Meetings of the Board of Directors attended during year.	Five meetings	Six meetings
Terms and conditions of re-appointment	Another five consecutive years	Another five consecutive years
Sitting Fee Paid during the year	Rs.13500	Rs.15000

BOARD'S REPORT

To:

Dear Shareholders,

Your Directors are pleased to present the 47th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31/03/2019.

FINANCIAL RESULTS (STANDALONE):**(Rs. in 1000's)**

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Total Income	25,173.37	64,424.15
Profit / (Loss) before Interest, Taxes, Depreciation & Amortization & Exceptional Items	4,730.03	14,977.00
Less: Finance Cost	3,757.11	5,379.21
Less: Depreciation & Amortization	4,976.22	4,684.41
Less: Exceptional Items	-	(24269.12)
Profit / (Loss) before Tax	(4003.30)	29,182.46
Tax Expenses	-	-
Current Tax	66.83	6,100.00
Deferred Tax	(1,118.00)	(481.00)
Profit / (Loss) for the period	(2,952.13)	23,563.46
Other Comprehensive Income (net of Taxes)	-	2,551
Total Comprehensive Income	-	26,114.46
Surplus / (Deficit) in statement of Profit & Loss - Beginning of the Year	(5,37,648.02)	(5,59,479.50)
Less: Adjustment for Premium paid on Buyback of Equity Shares	-	1,731.98
Add: Profit / (Loss) for the period	(2,952.13)	23,563.46
Surplus / (Deficit) in statement of Profit & Loss – at the end of Year	(5,40,600.15)	(5,37,648.02)

Financial Performance:

During the financial year under review, your Company registered a total income of Rs.25,173.37 thousand, as against Rs.64,424.15 thousand in the previous year and earning profit before interest, depreciation, exceptional items and tax Rs. 4,730.03 thousand, as against Rs. 14,977 thousand in the previous year. The loss before tax for the year is Rs.4,003.30 thousand, as against profit of Rs. 29,183 thousand in the previous year.

Dividend:

In view of the accumulated losses, no dividend is declared.

Share Capital:

During the Financial Year under review, the paid up Equity Share Capital of the Company was Rs.287.74 Lakhs. The Company has not issued any shares with differential voting rights / stock options. None of the Directors of the Company were holding instruments convertible into equity shares.

Extract of Annual Return:

Pursuant to Section 134 (3) (a) and Section 92(3) of the Companies Act, 2013, read with rule 12(1) of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return (MGT-9) as at 31/03/2019, is given in Annexure –A. The same is also available on the Company's website: www.amforgeindia.in.