



Amforge Industries Limited





Amforge Industries Limited Annual Report 2008-2009

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BOARD OF DIRECTORS
Shri. Puneet Makar
Shri. Yogiraj Makar
Shri. Fali P. Mama
Shri. Bhushan Lal Gupta
Shri. Sunil K. Aggarwal
Shri. Vijay S. Choksi
Shri. Rakesh Khanna

REGISTERED / CORPORATE OFFICE
108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai - 400 021. Telephone: 022-6636 5962 / 63 Fax : 022-6636 5964 Email : amfcosec@mtnl.net.in secretarial@amforgeindustries.com Web : www.amforgeindia.com
WORKS
32-D-2, M.I.D.C. Area, Chinchwad, Pune - 411 019. Maharashtra State. Telephone: 020-6611 3464 / 65 Fax : 020-6611 3597 Email : amforge@vsnl.net

AUDITORS
Bansal & Associates, Chartered Accountants, Rajendra Chambers, Nanabhai Lane, Fort, Mumbai - 400 001.

SOLICITORS
Mulla & Mulla, Craigie Blunt & Caroe Mulla House, 51, M. G. Road, Fort, Mumbai - 400 023.

37TH ANNUAL GENERAL MEETING
on Wednesday, the 30th September, 2009 at 2.30 p.m. at Maharashtra Chamber of Commerce, Industry and Agriculture, Babasaheb Dahanukar Sabhagriha, 6th Floor, Oricon House, 12, K. Dubash Road, Fort, Mumbai - 400 001.

REGISTRAR AND TRANSFER AGENTS
Sharex Dynamic (India) Private Limited Unit-1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai - 400 072. Telephone : 022-28515606 / 28515644 Fax : 022-28512885 E-mail : sharexindia@vsnl.com

As a measure of economy, copies of the Annual Report will not be distributed at the Meeting and, therefore, Members are requested to bring their copies of the Annual Report to the Meeting.

NOTICE

NOTICE is hereby given that the 37TH ANNUAL GENERAL MEETING of **Amforge Industries Limited** will be held on Wednesday, the 30th September, 2009 at 2.30 p.m. at Maharashtra Chamber of Commerce, Industry and Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account of the Company for the year ended on that date, together with the report of the Directors and the Auditors.
2. To appoint a Director in place of Shri. Yogiraj Makar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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:

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

"RESOLVED THAT Shri. Rakesh Khanna who was appointed as Additional Director with effect from 29-01-2009, whose term of office expires at this Annual General Meeting in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri. Puneet Makar be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 2nd February, 2009 to 1st February, 2012."

"RESOLVED FURTHER THAT pursuant to the approval of the Remuneration Committee accorded in their meeting held on 2nd February, 2009 and subject to the approval of the Shareholders of the Company by means of Special Resolution and pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, the following remuneration be paid to Shri Puneet Makar:

1. Salary

Rs. 150,000/- per month.

2. Commission

It shall not be more than 1% of net profits of the company.

3. Perquisites

Perquisites including allowances, if any, may be paid in such a form and to such an extent as may be decided by the Board from time to time so that the remuneration including perquisites shall not exceed 5% of net profits of the Company and in the year of absence of profits or inadequacy of profits, the value of these perquisites shall not exceed Rs. 100000 p.m. or Rs. 12.00 lacs per annum.

a) Housing

- i) The expenditure by the Company on hiring unfurnished accommodation subject to the ceiling of sixty per cent of the salary over and above ten per cent payable by Shri Puneet Makar.
- ii) In case the accommodation owned by the Company is provided, Shri. Puneet Makar shall pay to the Company ten per cent of his salary.
- iii) In case no accommodation is provided by the Company, Shri. Puneet Makar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing-i.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income-tax Rules, 1962.

b) Medical Reimbursement

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or five months' salary over a period of five years. In case of Medical expenses incurred abroad, on special treatment, the same may be paid / reimbursed in addition to the above subject to the provisions in the Act/Rules in this regard and as may be approved by the Board.

c) Leave Travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

d) Club Fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

e) Personal Accident Insurance

Premium not to exceed Rs.4, 000/- per annum.

Explanation:

"Family" means the spouse, the dependent children and dependent parents

4. Contribution to Provident Fund, Etc.

Contribution to Provident Fund, Superannuation fund or Annuity Fund shall be as per the Rules of such Funds in force but, however, the amount so contributed will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

5. Gratuity

Gratuity payable shall not exceed half a month's salary for each completed year of service. The amount so contributed will not be included in the computation of ceiling on perquisites.

6. Encashment of leave at the end of the tenure.

7. Provision of car for use on Company's business and **telephones** at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to Shri. Puneet Makar."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("THE BOARD") be and is hereby authorised to vary Shri Puneet Makar's designation and also to alter, increase, or modify the terms and conditions of remuneration and or perquisites payable to him during the aforesaid period but so as not to exceed the maximum permissible limits specified in Schedule XIII to the Companies Act, 1956, for the time being and from time to time, in force."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during Shri Puneet Makar's term of office, the remuneration mentioned above shall be payable as minimum remuneration subject to restrictions and conditions provided under Section II of Part II of Schedule XIII to the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."

By Order of the Board of Directors

Registered / Corporate Office:

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

Place : Mumbai,

Dated : 31st August, 2009.

Puneet Makar
Chairman & Managing Director

NOTES :

- a) The Explanatory Statement setting out the material facts concerning the Special business mentioned under Item No. 4 and 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 book of the Company will remain closed from Wednesday, 23rd September, 2009 to Wednesday, 30th September, 2009 (both the days inclusive).

- d) Members who desire any information as regards 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, having the shares in physical form, are requested to notify immediately any change in their addresses to the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072. Telephone: 022-28515644, 28515606. Fax: 022-28512885. Email - sharexindia@vsnl.com, Web: www.sharexindia.com.
 - f) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
 - g) No dividend has been declared by the Company since 1997.
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**ANNEXURE TO THE NOTICE PURSUANT TO THE PROVISIONS OF
SECTION 173(2) OF THE COMPANIES ACT, 1956**

EXPLANATORY STATEMENT:

ITEM NO. 4 :

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited, the Company appointed Shri. Rakesh Khanna as an Additional Independent Director of the Company from 29th January, 2009. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto this Annual General Meeting.

Notice in writing has been received from a Shareholder of the Company signifying his intention proposing Shri. Rakesh Khanna, as a candidate for the Office of Director alongwith a deposit of Rs.500/-. The Directors recommend that he be appointed as a Director of the Company.

Except Shri. Rakesh Khanna, no director is interested in the Resolution.

ITEM NO. 5:

Shri Puneet Makar (46), a Graduate in Business Administration from the U.S.A, has been serving the Company, holding several senior positions for over 17 years such as, Jt. Managing Director, Chairman and Managing Director and Director. He has substantially contributed to the corporate strategies and growth of the Company.

Shri. Puneet Makar has been re-appointed as Managing Director for a period of 3 years from 2nd February, 2009 to 1st February, 2012 by Circular Resolution, on the terms and conditions including the remuneration as approved by the Remuneration Committee of the Board of Directors, subject to approval of the Shareholders.

As required under Section 302 of the Companies Act, 1956, an abstract of the main terms and conditions of his appointment together with Memorandum of concern or Interest has been posted to the Member of the Company, within the stipulated period.

Shri. Puneet Makar himself and Shri. Yogiraj Makar, Directors of the Company, shall be deemed to be interested in the Resolution.

By Order of the Board of Directors

Registered / Corporate Office:

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

Place : Mumbai,

Dated : 31st August, 2009.

Puneet Makar
Chairman & Managing Director

**DETAILS OF DIRECTORS BEING APPOINTED AT ANNUAL GENERAL MEETING
(In Pursuance of Clause 49 (VI) A of the Listing Agreements)**

Name of Director	Shri. Yogiraj Makar	Shri. Rakesh Khanna	Shri. Puneet Makar
Age	79	57	46
Qualification	B.Sc. (Metallurgy)	B.Com. (Hons), FCA	BBA (USA)
Date of Appt.	21-04-1971	29-01-2009	1-10-1994
Expertise	Vast experience in manufacturing of forgings and renowned figure in the forging Industries in India.	Chartered Accountant over 3 decades of Corporate Financial expertise	Corporate strategy, Financial Management and day to day affairs of the Company.
Other Directorships	Devidass Pvt. Ltd. Dujon Commercial Pvt. Ltd.	GCIL Finance Ltd. Foundation for Promotion of Sports & Games Geltec Pvt. Ltd. Gwalior Chemical Inds. Ltd. Mangal Keshav Capital Ltd. Mangal Keshav Distributors Ltd. Mangal Keshav Holdings Ltd. Mangal Keshav Ins. Brokers Ltd. Mangal Keshav Securities Ltd. MK Commodity Brokers Ltd. Universal Medicare Pvt. Ltd.	Viniyog Investment & Trading Co. Pvt. Ltd. Bonjour Investment Co.Pvt.Ltd. Salil Investments Pvt. Ltd. Nainesh Investment & Trading Co. Pvt. Ltd. Dujon Commercial Pvt. Ltd.
Chairman/ Member of the Committees	-	Chairman - Audit Committee Mangal Keshav Holding Ltd. Member - Audit Committee Mangal Keshav Securities Ltd. Chairman - Audit Committee Mangal Keshav Capital Ltd. Chairman - Audit Committee Mangal Keshav Distributions Ltd. Member - Audit Committee Mangal Keshav Insurance Brokers Ltd. Chairman - Audit / Remuneration Committee, Member-Shareholder's Committee Gwalior Chemical Industries Ltd. Member - Audit & Remuneration Committee Amforge Industries Limited	Member - SIGC Amforge Industries Ltd.

DIRECTORS' REPORT

TO THE MEMBERS
AMFORGE INDUSTRIES LTD.

Your Directors hereby present the 37th Annual Report and audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

	<i>(Rs. in Lacs)</i>	
	<u>2008-2009</u>	<u>2007-2008</u>
Gross Revenue after stock adjustments	2975.44	5350.88
Gross Profit before Interest, Depreciation, Amortization and Tax	(636.47)	63.57
Interest	(51.55)	(51.96)
Operating Profit (Loss) before Depreciation & Amortization	(688.01)	11.61
Depreciation	(96.92)	(93.85)
Operating Profit/(Loss) for the year	(784.93)	(82.25)
Other Extra Ordinary Gains (Net)	(30.77)	(39.32)
Profit / (Loss) for the year	(815.70)	(121.57)
Prior Period's adjustments (Net)	(8.19)	(14.99)
Net Profit / (Loss)	(823.89)	(136.56)
Provision for Current Tax (Wealth Tax)	(0.70)	(0.60)
Provision for Fringe Benefit Tax	(20.14)	(21.85)
Provision for Deferred Tax	367.55	(64.35)
Profit / (Loss) after Tax	(477.18)	(223.36)
Balance Profit/(Loss) brought forward from previous year	(2615.16)	(2391.80)
Balance carried to Balance Sheet	(3092.34)	(2615.16)
EPS (Rs.)	(3.22)	(1.51)

FINANCIALS

During the year under review, your Company's gross revenue is Rs.2975.44 lacs [Previous Year: Rs. 5350.87 lacs]. Gross Profit / (Loss) before interest, depreciation and tax amounted to Rs. (636.47) lacs [Previous Year (Rs. 63.57 lacs)]. Operating Cash Profit / (Loss) before depreciation and amortization is Rs. 688.01 [Previous Year (Rs.11.61 lacs)]. The Net Loss came to Rs.823.89 lacs [Previous Year Rs. 136.56]. The financials reflect eight months operations as the production at Chinchwad plant was suspended from December, 2008 initially in view of recession in the automobile industry and subsequent declaration of lock out in May, 2009 due to labour unrest.

DIVIDEND

In view of the losses, current and accumulated, your Directors regret their inability to recommend any dividend for the year 2008-2009.

PUBLIC DEPOSITS AND LOANS / ADVANCES:

The Company has not accepted any deposits from the Public or its employees during the financial year. The Company has made a loan to its wholly owned subsidiary Company without interest.

DIRECTORS

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

Shri. Rakesh Khanna was appointed as an Additional Independent Director with effect from 29th January, 2009 and his term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice U/s. 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director liable to retire by rotation.

Shri. Puneet Makar was appointed as Managing Director of the Company for a period of 3 (three) years from 2nd February, 2009 to 1st February, 2012 by the Board of Directors by Circular Resolution dated 2nd February, 2009 on the terms and conditions including the remuneration, as approved by Remuneration Committee of the Board of Directors, subject to approval of the Shareholders. Subsequently, an abstract under section 302 of the Companies Act, 1956 sent to the Members of Company within the stipulated period.

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.

- 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, 2009 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.

AUDITORS

Messrs. Bansal & Associates, Chartered Accountants, Mumbai, 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.

AUDITORS REPORT

The Directors give the following comments on Para 3 of Auditors Report:

Certain records and documents pertaining to the period from December, 2008 to March, 2009 could not be made available for the auditor's verification, due to suspension of operations at the plant in December, 2008 and consequent lock-out and the labour problems. However, the management does not envisage any material discrepancy(ies) in the financial statements due to the same.

SUBSIDIARY COMPANY

Dujon Commercial Private Limited, an existing investment company became a wholly owned subsidiary (WOS) of the company since October 2008.

Pursuant to Section 212(8) of the Companies Act, 1956, the Company has applied to the Ministry of Corporate Affairs for exemption from attaching the audited accounts of the subsidiary to the Annual Accounts of the Company, for the financial year ended 31st March 2009. Approval is awaited. A statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2009 is included in the Annual Report. The annual accounts of the subsidiary company will be made available for inspection to members of the Company, upon request at its registered office. .

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

The information required in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report as Annexure-1.

MANAGEMENT DISCUSSION AND ANALYSES

As per the requirement of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Management Discussion and Analyses of the events, which have taken place and the conditions, prevailed during the period under review is annexed to this report as Annexure-2.

PERSONNEL

Statement of particulars of employees, providing information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this report as Annexure-3.

CORPORATE GOVERNANCE

A report on Corporate Governance as per the requirement of Clause 49 of the Listing Agreement is annexed to this report, as Annexure - 4.

CEO / CFO CERTIFICATION

Pursuant to Clause 49 V of the Listing Agreement with the Bombay Stock Exchange Limited, a certificate issued by CEO/ CFO of the Company placed before the board for the financial year ended 31st March, 2009.

COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956, a compliance certificate issued by Practising Company Secretary is annexed to this report as Annexure - 5.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the valued customers, suppliers and banks for their support, co-operation and guidance and also wish to place on record appreciation of the committed services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director

ANNEXURE - 1 TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

No major steps were taken due to recession in the Automobile industry and closure of the plant.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

None in view of closure of plant.

Impact of the measures taken / to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Not applicable.

c) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the schedule thereto for the year ended 31.03.2009.

	2008-09*	2007-08
1 Power & Fuel Consumption		
Electricity - Purchased (KWH in lacs)	34	62
Total Amount (Rs. in lacs)	176.79	341.87
Average rate per unit	5.23	5.51
2 Furnace Oil		
Quantity (Kilo litres)	301	558
Total Amount (Rs. in lacs)	99.05	127.75
Average rate per litre	32.90	22.89
3 Light Diesel Oil		
Quantity (Kilo litre)	271	565
Total Amount (Rs. in lacs)	119.03	163.80
Average rate per litre	42.92	28.99
4 Consumption per unit of Production		
Production (Tons)	2534	5226
<i>Fuel Used</i>	<i>Units</i>	
Electricity	Kwh / Ton	1186
Furnace Oil	Lit / Ton	107
Light Diesel Oil	Lit / Ton	107

B. TECHNOLOGY ABSORPTION

i. Research & Development:

As stated above at (A) no concrete steps were taken.

ii. Benefits derived as a result of the above efforts:

Not applicable

iii. Future plans of action:

Not applicable

Most of the R & D work is carried out in-house.

iv. Foreign Exchange Earnings and Outgo:

	(Rs. in Lacs)	
	2008-09	2007-08
FOB Value of Exports	209.86	285.82
Foreign Currency Outgo	0.96	5.29

* Figures for the F.Y. 2008-09 are for the period from April, 2008 to November, 2008. In December, 2008 the operation of the plant was suspended and subsequently declared lock out in May, 2009.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director

ANNEXURE - 2 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSES

Forging Industry:

The Company has only one segment and that is 'forgings'.

Forging is a manufacturing process where metal is pressed, pounded or squeezed under great pressure into high strength parts largely catering to automobile industry as such; the performance of the Forging Industry is very much dependent on the performance of the automobile industry which is, in turn, dependent on demand for vehicles.

Location

The Company's Chinchwad plant is having a comprehensive Forge Shop with Presses and Hammers together with all balancing equipment. This plant is located in the Forging Capital (Pune) of India with all logistical and infrastructure facilities in place, and serves a complete range of small segment forgings to almost all the major OEMs, directly or indirectly. It enjoys a "Preferred Vendor" status with its Customers. Quality Accreditations like ISO/ts 16949:2002 and ISO 9001: 2000 are in place.

Operation

The general economy started slowing down since 2007 and faced further down trend in the mid 2008 followed by recession in the auto industry. Due to this recession, we suspended the operation in December, 2008 particularly since there were no orders forthcoming, as also OEMs were not lifting material already ordered. Further, with the losses mounting each month, it became difficult to meet the regular salary / wages and other statutory liabilities in the absence of any sale revenue as also non receipt of our receivables from customers for supplies already made, this led to restlessness and indiscipline amongst the workers which ultimately forced the management to declare a lock out at Chinchwad plant.

Market Outlook - Industry Scenario:

The general economy started slowing down since 2007. The financial crisis deepened further in 2008 with several leading financial houses and businesses having to write off heavy losses in their books leading to the general economy, and particularly the auto industry, taking a turn for the worse.

OEM customers built up stocks in expectations of continued growth throughout the year 2008. However, these expectations were belied and the bottom dropped drastically in the second half of 2008. Within a very short time, with severe recession in the auto sector coupled with severe liquidity crunch, forging demand came to a standstill and orders evaporated. To make it worse the OEMs also refused to lift material for which they had already released formal orders and firm delivery schedules. With most of the auto OEMs resorting to closures and lay-offs together with extremely delayed payment for material already supplied, small and medium unit were faced with no alternative but to suspend operations. It was impossible to meet regular monthly expenses of labour, steel, power and other statutory dues in the absence of any supplies/ sales to regular customers. Initially, the industry geared for a short slow down in the automotive industry, however, it was impossible to anticipate the scale, size and impact of the slowdown which continued into early 2009. The sheer systemic demand drop across all sectors from financial to automotive and to the economy as a whole was unprecedented. Manufacturing sector witnessed a sharp demand drop while the performance of Indian Automotive sector showed a predominantly negative trend. Sales of medium and heavy commercial vehicles, to which Amforge predominantly supplies, declined sharply for the second consecutive year and the major commercial vehicle producers experienced drop in production of over 60%.

Internal Control System and their Adequacy

Independent firm of Chartered Accountants has been appointed to carry out internal audit functions to ensure adherence to various policies and procedures already introduced and followed in the Company. This is also ensuring compliances with various statutory requirements. The internal control systems have been reviewed by the Audit Committee.

Discussion on financial performance:

During the year under review, the Company's gross revenue remained at Rs. 2,975.44 Lacs. The operation at Chinchwad plant was suspended in December, 2008 due to recession in the automobile industry and subsequent to declaration of lock out in May, 2009.

ANNEXURE - 3 TO THE DIRECTORS' REPORT

Additional information as required U/s. 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2009.

Name & Designation	Qualification	Date of commencement of employment	Age / (Experience in years)	Remuneration (subject to tax) (Rs in lacs)	Last employment held (Designation / Organisation)
Shri. Puneet Makar Chairman & Managing Director	BBA from USA	2nd February, 2009	46 (16 years)	4.82	1st employment since 1-10-1994. Director Amforge Industries Limited

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Makar
Chairman & Managing Director

ANNEXURE - 4 TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company practices Corporate Governance as a continuing exercise. It has faith in the philosophy of Corporate Governance.

I. BOARD OF DIRECTORS

During the year 2008-09, the composition of the Board of Directors was such that it complied with the requirements of Independent and Non-Executive Directors. The strength of the Independent Directors is more than 50% in the composition of the Board.

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

Category	Name of Director	Remarks
Promoter & Non- Exe. Chairman Promoter & Exe. Chairman & Managing Director	Shri. Puneet Makar	Till 1-2-2009 From 2-2-2009
Promoter & Non-Exe. Director	Shri. Yogiraj Makar	–
Non-Ind. & Non-Exe. Director	Shri. Fali P. Mama	–
Independent & Non-Exe. Director	Shri. Sunil Aggarwal	–
Independent & Non-Exe. Director	Shri. B. L. Gupta	–
Independent & Non-Exe. Director	Shri. Vijay S. Choksi	–
Independent & Non-Exe. Director	Shri. Rakesh Khanna	Addi. Director w.e.f. 29-1-2009

The attendance of the Directors at the Meetings of Board of Directors held during the Financial Year 2008-2009 and the last Annual General Meeting (AGM) held on 29th September, 2008 is as follows :

Sr. No.	Date of Board of Directors Meeting	Number of Directors Present
1	25-04-2008	6
2	27-06-2008	5
3	25-07-2008	4
4	23-10-2008	5
5	29-01-2009	5
6	29-09-2008 (AGM)	5

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

Name of the Director	No. of Board Meetings attended	Attendance at the AGM
Shri. Puneet Makar	3	–
Shri. Yogiraj Makar	5	Present
Shri. Fali P. Mama	5	Present
Shri. B. L. Gupta	5	Present
Shri. Sunil K. Aggarwal	5	Present
Shri. Vijay Choksi	1	Present

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

Name of Director	No. of BoD's of other Companies	No. of Membership of BoD's Committees	No. of Chairmanship of BoD's/Committees
Shri Yogiraj Makar	2	–	–
Shri Puneet Makar	5	1	–
Shri. Fali P. Mama	5	3	–
Shri. B. L Gupta	3	1	1
Shri. Vijay S. Choksi	3	–	–
Shri. Sunil Aggarwal	2	–	2
Shri. Rakesh Khanna	11	2	–

None of the Directors holds any Equity Shares in the Company except Shri. Puneet Makar (Promoter Executive) holding 1830802 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.

COMMITTEES OF BOARD OF DIRECTORS
II. 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 till 29th January, 2009:

- Shri. Bhushan Lal Gupta - Chairman
- Shri. Sunil K. Aggarwal - Member
- Shri. Fali P. Mama - Member

The Audit committee was reconstituted by the Board of Directors at their meeting held on 29th January, 2009, 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 2008-2009 is as under:

NAME OF THE DIRECTOR	DATE OF THE MEETINGS				
	25-4-2008	27-6-2008	25-7-2008	23-10-2008	29-1-2009
Shri B. L. Gupta	Present	Present	Present	Present	Present
Shri. Fali P. Mama	Present	Present	Present	Present	Present
Shri. S. K. Aggarwal	Present	Present	Present	Present	Present

III. Remuneration Committee

The Remuneration Committee was as under till 29th January, 2009:

- Shri. B. L. Gupta - Chairman
- Shri. Fali Mama - Member
- Shri. Yogiraj Makar - Member

The remuneration was reconstituted by the Board of Directors in their Board Meeting held on 29th January, 2009, as under :

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

During this financial year, only one Remuneration Committee meeting was held on 2nd February, 2009. All members were present.

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.

Details of the sitting and other fees paid to the Non-Executive Directors for the Financial Year 2008-2009 :

Name of the Director	Total Sitting fees paid for attending Board / Committee Meetings (Rs.)	Professional Fees (Rs.)
Shri. Puneet Makar	-	5,00,000.00
Shri. Yogiraj Makar	-	13,46,260.00
Shri. Fali Mama	-	6,00,000.00
Smt. Reshma Makar	1500.00	-
Shri. B. L Gupta	18,000.00	-
Shri. Sunil Aggarwal	13500.00	-
Shri. Vijay Choksi	1500.00	-

IV. Shareholders / Investors Grievance Committee (SIGC)

The SIG Committee was under till 29th January, 2009:

- Shri. B. L. Gupta - Chairman
- Shri. Sunil K. Aggarwal - Member
- Shri. Puneet Makar - Member

The SIGC was reconstituted by the Board of Directors at their meeting held on 29th January, 2009 as under:

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

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

The Committee meets as and when required. In terms of reference are redressing of shareholders and investors' complaints like transfer of shares, duplicate certificate, non-receipt of annual reports, non-receipt of declared dividends, etc; by the Share Transfer Executive Committee. The Committee is authorized to approve transfer and issue duplicate share certificates, etc.

The Complaints received and redressed during the period from 1-4-2008 to 31-03-2009 are tabled below:

Nature of Complaint	Complaints Received from 1-4-2008 to 31-3-2009					Total	Redressed	Not Redressed	Reason(s) for non redressal
	SEBI	Stock Exchange	Dept. of Company Affairs	Consumer Forum	Investors				
General	-	-	-	-	2	2	2	-	-
Non-receipt of duplicate certificate against duly executed Indemnity Bond	1	-	-	-	-	1	1	-	-
Non-receipt of New s/c	-	-	-	-	15	15	15	-	-
TOTAL	1	-	-	-	17	18	18	-	-

V. Related Party Transactions
(Rs. Lacs)

Name of the Parties / Person	Opening Balance 1.4.2008	ICD Transactions		Closing Balance 31.3.2009	Max. Amt. outstanding during the year	Other Transactions			
		Received	Repaid			Payment of Interest	Payment of Rent	Payment of Salary/Fees	Payment of Equity at Premium
Nainesh Inv & Trdg Co. Pvt. Ltd.	-	57.00	3.00	54.00	57.00	2.28	-	-	-
Viniyog Inv. & Tradg. Co. Pvt. Ltd.	-	100.00	100.00	-	100.00	4.12	-	-	-
-do- (Investment consultancy fees)	-	-	-	-	-	-	-	19.63	-
Makar Estate	-	-	-	-	-	-	1.20	-	-
Dujon Commercial Pvt. Ltd.	-	-	-	-	-	-	-	-	200.00
-do- (Adv)	-	-	995.00	(995.00)	-	-	-	-	-
Sub Total	-	157.00	1098.00	(941.00)	157.00	6.40	1.20	19.63	200.00
Key Management Personnel									
Yogiraj Makar	-	-	-	-	-	-	24.00	13.46	
Puneet Makar	-	-	-	-	-	-	7.50	5.00 (P. Fee) 5.18 (salary)	
Reshma Makar	-	-	-	-	-	-	7.50		
Fali Mama	-	-	-	-	-	-	-	6.00	
Sub Total	-	-	-	-	-	-	39.0	29.64	
Total	-	157.00	1098.00	(941.00)	157.00	6.40	40.20	49.27	200.00

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

Sr. No.	Date	Day & Time	Venue	Remarks
1.	29-09-2006	Friday 12.00 Noon	Maharashtra Chamber of Commerce & Industry, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400 001.	34th AGM
2.	27-09-2007	Thursday 2.30 p.m	- do -	35th AGM
3.	29-09-2008	Monday 12.00 Noon	- do -	36th AGM

VII. DISCLOSURES

Means of Communication

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

Also up-loading its quarterly financial results, shareholding pattern and Annual Reports on SEBI's website: www.sebi.gov.in. This information can be viewed on the said site under Electronic Data Information Filing and Retrieval (*EDIFAR*) system. Moreover, the events required to be intimated to the Bombay Stock Exchange Limited, Mumbai are intimated that are reproduced by media in their own way and carried in their respective newspapers, web-site, etc., which are available to the general public for their consumption.

The Company has its own website www.amforgeindia.com and been uploading its financial results every quarter.

VIII. 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 of 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.

IX. CODE 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.

X. GENERAL SHAREHOLDER INFORMATION

1. 37th Annual General Meeting -

Day : Wednesday

Date : 30th September, 2009

Time : 2.30 p.m.

Venue: Maharashtra Chamber of Commerce, Industry & Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400001.

2. Financial Calendar

- Results for 1st quarter ended 30th June, 2009 : On or before 31st July, 2009
- Results for 2nd quarter ended 30th September, 2009 : On or before 31st October, 2009
- Results for 3rd quarter ended 31st December, 2009 : On or before 31st January, 2010
- Results for the Financial Year ended 31st March, 2010 (Unaudited) **(OR)** : On or before 30th April, 2010.
- Audited Results for the Financial Year ended 31st March, 2010 : On or before 30th June, 2010
- 3. Date of Book Closure** : From 23-09-2009 to 30-09-2009 (including both dates)
- 4. Dividend Payment Date** : Not applicable
- 5. Listing on Stock Exchanges** : Bombay Stock Exchange Limited.
Annual Listing fee paid for the year 2009-2010.
- Stock Code** : 513117
- ISIN (NSDL / CDSL)** : INE991A01020

6. Market Price Data during 2008-2009:

MONTH	SHARE PRICE		BSE SENSEX
	High	Low	
April - 2008	12.22	8.96	17287.31
May - 2008	11.65	9.70	16415.57
June - 2008	10.10	7.00	13461.60
July - 2008	8.20	6.17	14355.75
August - 2008	10.50	7.15	14564.53
September - 2008	7.95	5.25	12860.43
October - 2008	5.95	3.19	9788.06
November - 2008	5.31	3.53	9092.72
December - 2008	4.55	3.01	9647.31
January - 2009	4.19	2.55	9424.24
February - 2009	3.47	2.51	8891.61
March - 2009	3.19	2.46	9708.50

7. Registrar and Transfer Agents :

M/s. Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai- 400 072.

8. Share Transfer System

The entire share transfer system is handled by the Registrar and Transfer Agent (RTA) of the Company at the address given above. The RTA is equipped with all required infrastructure required for share transfer - physical and demat.

The transfers received are processed by the Registrar and Transfer Agents duly approved by the Share Transfer Executive Committee. The Committee meets twice a month and the transfer is normally effected and dispatched within the time limit prescribed under the Listing Agreement.

9. Distribution of Shareholding as of 31st March, 2009 :

Distribution of Shares	No. of Shareholders	% to Total No. of Shareholders	No. of Shares held	% to Total Shares
Up to 100	15437	75.48	534342	3.61
101 to 200	1782	8.71	298348	2.01
201 to 500	1653	8.08	620168	4.18
501 to 1000	752	3.68	651010	4.39
1001 to 5000	651	3.18	1563928	10.55
5001 to 10000	77	0.38	566960	3.83
10001 to 100000	87	0.43	2313342	15.61
100001 & above	12	0.06	8272108	55.82
Total	20451	100.00	14820206	100.00

10. Shareholding Pattern as of 31st March, 2009:

Category of Shareholders	No. of Shares Held	% of Holding
Indian Promoters	2427378	16.38
Directors & Relatives	5379091	36.44
Financial Institutions & Banks	90	.001
Mutual Funds & UTI	29804	.201
FII's	100000	.675
NRIs / OCBs	270278	1.82
Domestic Companies	1160066	7.82
Public	5421038	36.58
Clearing Members	32461	.22
Total	14820206	100.000

11. Dematerialization of Shares and Liquidity as of 31st March, 2009:

The deliveries of Company's shares are required to be made in dematerialized form, in trade. The extent of dematerialization of shares of the Company and its liquidity are as under:

Shares	Physical Form		Dematerialized Form		Total
Number	573927		14246279		14820206
%age to Total	3.87%		96.13%		100
	Promoters	Public	Promoters	Public	
Number	71157	502770	7735312	6510967	
% to form	12.40	87.60	54.30	45.70	-
% form to Total	0.48	3.39	52.19	43.94	100

12. Outstanding GDRs/ ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity :

There are no outstanding DGRs /ADRs or any convertible instruments in the Company.

13. Plant Locations:

- Block No. 32-D-2, M.I.D.C Area, Chinchwad,
Pune - 411 019, Maharashtra (India)
Telephone: 022-66113464-65.
Fax : 020-66113467.
Email : amforge@vsnl.net.

14. Address for Correspondence :

For Shareholders

- **Sharex Dynamic (India) Private Limited**
Unit-1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E), Mumbai - 400 072.
Telephone: 022-28515606 / 28515644
Fax : 022-28512885
E-mail : sharexindia@vsnl.com
Web : www.sharexindia.com.

For Others

- **M/s. Amforge Industries Limited,**
Registered / Corporate Office:
108-111, Raheja Chambers, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021.
Telephone: 022-6636 5962-63
Fax : 022-6636 5964
Email : amfcosec@mtnl.net.in / secretarial@amforgeindustries.com
Web : www.amforgeindia.com

For and On Behalf of the Board of Directors

Place : Mumbai,
Dated : 31st August, 2009.

Puneet Maker
Chairman & Managing Director

**ANNEXURE - 5 COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

To the members of **Amforge Industries Limited,**

I have examined the compliance of conditions of Corporate Governance by **Amforge Industries Limited** ("the Company"), for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Share Transfer Executive Committee of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai,
Dated : 17th August, 2009.

Vikram P. Gandhi
Practising Company Secretary
CP No.651

**ANNEXURE - 6
COMPLIANCE CERTIFICATE**

[Issued under the Companies (Compliance Certificate) Rules, 2001]

CIN of the Company	L28910MH1971PLC015119
Authorised Capital	Rs. 20,00,00,000
Issued, Subscribed and Paid up Capital	Rs. 2,96,40,000

To the Members,

Amforge Industries Limited

I have examined the registers, records, books and papers of **Amforge Industries Limited** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the memorandum and articles of association of the company for the financial year ended March 31, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Ministry of Corporate Affairs and other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company has the minimum prescribed paid-up capital.
4. The board of directors duly met 5 times on April, 25, 2008, June 27, 2008, July 25, 2008, October 23, 2008 and January 29, 2009 during the year, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

The audit committee duly met 5 times during the year under scrutiny on April 25, 2008, June 27, 2008, July 25, 2008, October 23, 2008, and January 29, 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

The Shareholders / Investors Grievances Committee duly met 3 times during the year under scrutiny on June 27, 2008, July 25, 2008, and January 29, 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. The company has closed its Register of Members from 23rd September, 2008 to 29th September, 2008 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2008 was held on 29th September, 2008 by giving proper notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting (s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company was not required to obtain any approvals from the board of directors, members or central government.
12. The Board of directors or duly constituted Committee of Directors has approved the issue of one duplicate Share certificate for 410 shares.
13. The Company has
 - (i) delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with the provision of the Act.
 - (ii) not required to deposit any amount in separate bank account as no dividend was declared during the financial year.

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- (iii) not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) transferred unpaid matured debentures interest account which remained unclaimed or unpaid for the period of 7 years to Investors Education and Protection Fund during the financial year.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of Additional Director has been duly made during the Financial Year.
 15. The appointment of Managing Director has been made in compliance with the provisions of section 269 read with schedule XIII to the Act.
 16. The company has not appointed any sole selling agents during the financial year.
 17. The company has obtained necessary approvals of the Company Law Board as per the provisions of the Act as detailed below:
 - a) Satisfaction of Charges u/s 143 of the Act.
 18. The directors have disclosed their interest in other firms / companies to the board of directors pursuant to the provisions of the Act and the rules made there under.
 19. The company has not issued any shares, debentures or other securities during the financial year.
 20. The company has not bought back any shares during the financial year.
 21. The company has not issued any preference shares or debentures. Consequently there was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 24. The company has not made any borrowings during the financial year ended March 31, 2009.
 25. The Company has made loans and investments in its wholly subsidiary but not given guarantee or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its Articles of Association during the financial year.
 31. As per the information and according to the explanation furnished by the Company, there was no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also no fines or penalties or any other punishment imposed on the company during the financial year.
 32. The company has not received any money as security from its employees, as there were no employees employed during the financial year.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Mumbai,
Dated : 17th August, 2009.

Vikram P. Gandhi
Practising Company Secretary
CP No.651

ANNEXURE - A

AMFORGE INDUSTRIES LIMITED Registers as maintained by the Company

1. Register of Charges u/s 143
2. Register of Members u/s 150
3. Minutes of the Meeting of the Board of Directors u/s 193(1)
4. Books of Accounts u/s 209
5. Register of Contracts u/s 301
6. Register of Contracts, Companies and Firms in which Directors are interested u/s 301.
7. Register of Directors u/s 303
8. Register of Directors' Shareholdings u/s. 307
9. Register of investment made / guarantee given or security provided u/s 372A.
10. Register of Transfers
11. Fixed Assets Register

ANNEXURE - B

Forms and Returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31, 2009.

Sr. No.	Form No. / Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time	If delay in filing whether requisite fee paid Yes / No
1	23 AC 23 ACA	220	P&L Account and BS for F.Y. ended 31-3-2008	27-10-2008	Yes	N/A
2	23B	224(1A)	Intimation of Chartered Accountants	23-10-2008	Yes	N/A
3	23B	224(1A)	Intimation of Chartered Accountants	24-10-2008	Yes	N/A
4	20B	159	Annual Report for the F.Y. ended 31-3-2009	10-11-2008	Yes	N/A
5	23AAB	212(8)	Application for exemption from attaching the annual accounts of the subsidiary companies.	10-2-2009	Yes	N/A
6	32	269(2)	Appointment of Mg. Director	20-02-2009	Yes	N/A
7.	25C	269(2)	Return of appointment of Mg. Director	17-3-2009	Yes	N/A
8	23	269(2)	Registration of resolution regarding appointment of Mg. Director and his remuneration	17-3-2009	Yes	N/A
9	61	141	Application filed(CLB)	16-05-2008	Yes	N/A
10	21	141	CLB order	6-11-2008	Yes	Requisite fee paid as per CLB
11	62	205C	Quarterly transfer amount to IEPF	14-04-2008	Yes	N/A
12	1	Pursuant to Rule 3 of the IEPF.	Amount credited to IEPF	16-04-2008	Yes	N/A
13	32		Resignation of Directress Smt. Reshma Makar	2-6-2008	Yes	N/A
14	62	205 C	Quarterly transfer amount to IEPF	08-07-2008	Yes	N/A
15	21	445 to 481	Submission of High Court order regarding withdrawn of WP	11-07-2008	Yes	N/A
16	62	205 C	Quarterly transfer amount to IEPF	3-10-2008	Yes	N/A
17	1	Pursuant to Rule 3 of the IEPF.	Amount credited to IEPF	23-10-2008	Yes	N/A
18	1	Pursuant to Rule 3 of the IEPF.	Amount credited to IEPF	21-10-2008	Yes	N/A
19	62	U/s205 C	Quarterly transfer amount to IEPF	5-1-2009	Yes	N/A
20	32		Appointment of Additional Director transfer amount to IEPF	1-2-2009	Yes	N/A

AUDITORS' REPORT

To the members of
Amforge Industries Limited

1. We have audited the attached Balance Sheet of AMFORGE INDUSTRIES LIMITED as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and amended by (Amendment) Order, 2004 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, subject to that : ***The financial statements of the Company have been prepared and finalized on the basis of available records and documents with the Company. Due to suspension of operations at the Plant in December 2008 and the subsequent lockout and labour problems the relevant supporting evidences and records were not produced for our verification during the course of audit.*** We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above and ***subject to the Para No. 3 as above***, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date ; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Proprietor

Membership No. - 12288

Mumbai, 31st August, 2009.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets till the plant was suspended for production in December, 2008.
 - (b) As explained to us, the fixed assets have been physically verified by the management at regular intervals in accordance with a phased programme of verification adopted by the Company, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets till the plant was suspended for production in December, 2008. According to information and explanations given to us no material discrepancies were noticed on such verification till December, 2008 however the same have been adjusted in the books of account. Hence we are unable to comment on discrepancies, if any, that may arise between physical and book balance.
 - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals till the plant was suspended for production in December, 2008.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business till December 2008.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories till the last dispatches and no material discrepancies were noticed on such physical verification however the same have been properly dealt with in the books of account till last dispatches. In absence of physical verification at the year end we are unable to comment on discrepancies, in any, between book stock and physical stock.
3. According to the information and explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956;
 - (a) The Company has granted interest free loan of Rs. 995.50 lacs to its wholly owned subsidiary company, which is covered in the Register maintained under section 301 of the Companies Act, 1956. However no terms and conditions of repayment of such loan are specified.
 - (b) The Company has taken inter corporate deposits in the nature of unsecured loans aggregating to Rs.54 Lacs from one company covered in the Register maintained under section 301 of the Companies Act, 1956.
 - (c) The rate of interest and other terms and conditions on which loans have been taken by the Company are not *prima facie*, prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are reasonable internal control system which needs to be further strengthen commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. In respect of transactions entered in the Register maintained under section 301 of the Companies Act, 1956:
 - (a) In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section ; and
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are *prima facie* reasonable having regards to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently the provisions of section 58 A , 58 AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and the directives issued by the Reserve Bank of India are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products to which the said rules are made applicable, and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records, with a view to determine whether they are accurate.

9. In respect of statutory dues:

- (a) According to the records of the Company, it has been regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.

- (b) The disputed statutory dues aggregating to Rs. 707.28 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

No.	Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (Rs. in Lacs)
1.	Central Excise Act, 1944	Excise Duty	CESTAT, Mumbai Asst. / Addl. / Jt. Commissioner of Central Excise	485.57
2.	Customs Act	Customs Duty	CESTAT, Mumbai	120.68
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	101.03
			TOTAL	707.28

10. The Company has accumulated losses as at the end of the financial year and the Company has incurred cash losses during the current and the immediately preceding financial year.
11. Based on our audit procedure and on the basis of the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.
14. The Company is not dealing in securities. However, in respect of its investments the Company has maintained proper records of the transactions and contracts as well as timely entries have been made therein. These investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. On the basis of the records examined by us, we have to state that, the Company has not taken any term loans during the year.
17. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall examination of the financial statements of the Company, we are of the opinion that, funds raised on short term basis have prima facie not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. No debentures have been issued by the Company during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Proprietor

Membership No. - 12288

Mumbai, 31st August, 2009.

BALANCE SHEET AS AT 31ST MARCH, 2009

		(Rs. In Lacs)	
		As at 31st March, 2009	As at 31st March, 2008
		SCHEDULE	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	296.40	296.40
Reserves & Surplus	2	3,058.54	3,535.72
		<u>3,354.94</u>	<u>3,832.12</u>
Loan Funds			
Secured Loans	3	89.03	136.16
Unsecured Loans	4	872.07	821.04
		<u>961.10</u>	<u>957.20</u>
		<u>4,316.04</u>	<u>4,789.32</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,667.60	2,692.62
Less : Depreciation		1,430.13	1,368.30
Net Block		1,237.47	1,324.32
Add : Capital Work in Progress		27.44	27.44
		<u>1,264.90</u>	<u>1,351.75</u>
Investments	7	692.63	463.99
Current Assets, Loans & Advances			
Current Assets	8	1,480.52	2,079.71
Loans and Advances	9	1,759.65	2,106.51
		<u>3,240.17</u>	<u>4,186.22</u>
Less : Current Liabilities & Provisions	5	1,573.78	1,537.22
Net Current Assets		<u>1,666.39</u>	<u>2,649.00</u>
Deferred Tax Assets (Net) (Refer Note No.21)		692.12	324.57
TOTAL FUNDS UTILISED		<u>4,316.04</u>	<u>4,789.32</u>
Notes Forming Part of The Accounts	19		

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – Chairman & Managing Director
Yogiraj Makar – Director
Fali P. Mama – Director
Sunil Aggarwal – Director
B. L. Gupta – Director
Rakesh Khanna – Director

Mumbai, 31st August, 2009.

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	(Rs. In Lacs)	
		For the year ended 31st March, 2009	For the year ended 31st March, 2008
INCOME			
Operational Income	10	2,936.54	5,078.83
Accretion/(Decretion) to Stocks	11	(117.27)	27.17
Other Income	12	156.17	244.87
		<u>2,975.44</u>	<u>5,350.88</u>
EXPENDITURE			
Raw Material and Components Consumed	13	2,089.65	3,110.86
Payments to and Provisions for Employees	14	466.03	510.39
Manufacturing Expenses	15	745.19	1,279.86
Administrative, Selling and Other Expenses	16	311.03	386.20
		<u>3,611.90</u>	<u>5,287.31</u>
PROFIT BEFORE INTEREST AND DEPRECIATION		(636.47)	63.57
Interest	17	51.55	51.96
PROFIT BEFORE DEPRECIATION AND AMORTISATION		(688.01)	11.61
Depreciation	6	96.92	93.85
NET PROFIT/(LOSS)		(784.93)	(82.25)
Add : Other Extra Ordinary Gains / (Loss) (Net)		(30.77)	(39.32)
PROFIT / (LOSS) FOR THE YEAR		(815.70)	(121.57)
Prior Years' Adjustments (Net)	18	(8.19)	(14.99)
NET PROFIT / (LOSS) BEFORE TAX		(823.89)	(136.56)
Provision for Tax - Current Tax (Wealth Tax)		0.70	0.60
- Fringe Benefit Tax		20.14	21.85
- Deferred Tax (Refer Note No.21)		367.55	(64.35)
PROFIT/(LOSS) AFTER TAX		(477.18)	(223.36)
Profit/(Loss) brought forward from previous year		(2,615.16)	(2,391.80)
BALANCE CARRIED TO BALANCE SHEET		(3,092.34)	(2,615.16)
Basic / Diluted Earning Per Share +/- (Rs.) (Refer Note No. 25)		(3.22)	(1.51)
Notes Forming Part of The Accounts	19		

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – Chairman & Managing Director
Yogiraj Makar – Director
Fali P. Mama – Director
Sunil Aggarwal – Director
B. L. Gupta – Director
Rakesh Khanna – Director

Mumbai, 31st August, 2009.

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

	(Rs. in Lacs)	
	For the Year ended 31st March, 2009	For the Year ended 31st March, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(784.93)	(82.25)
Adjustments for :		
Depreciation	96.92	93.85
Interest on Borrowings	51.55	51.96
Interest / Dividends Received (Net)	(106.89)	(145.35)
Profit / Loss on Sale of Assets	4.09	0.00
Net Profit on Sale of Assets, Extra ordinary items etc. (Net)	(23.82)	(19.57)
Profit on sale of investments	5.34	(30.70)
Earlier years Expenditure	(8.19)	(14.99)
Provision for Wealth Tax/Fringe Benefit Tax	(20.84)	(22.45)
	(1.85)	(87.24)
Operating Profit Before Working Capital Changes	(786.78)	(169.49)
Adjustments for :		
Trade and Other Receivables *	821.33	(415.92)
Inventories *	207.22	(63.11)
Trade and Other Payables *	15.72	157.73
	1,044.27	(321.30)
Cash Generated from Operations	257.49	(490.79)
Direct Taxes / TDS	(49.49)	(38.21)
Interest on Borrowings	(51.55)	(51.96)
	(101.04)	(90.17)
Net Cash Generated in Operating Activities (A)	156.46	(580.96)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12.78)	(159.51)
Purchase of Investments	(384.71)	(400.97)
Sale of Fixed Assets *	6.80	20.89
Sale of Investments	156.45	433.12
Interest / Dividends Received (Net)	106.89	145.35
Dividend Received		
Net Cash from Investment Activity (B)	(127.35)	38.88
CASH FLOW FROM FINANCING ACTIVITIES		
Change in Borrowings - Secured Loans*	(47.12)	33.66
Change in Borrowings - Unsecured Loans*	51.03	(27.31)
Cash from Financing Activity (C)	3.91	6.35
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	33.01	(535.73)
Cash or Cash Equivalent as on 1st April 2008 (Opening Balance)	55.75	591.48
Cash or Cash Equivalent as on 31st March 2009 (Closing Balance)	88.76	55.75
Net Increase/(Decrease) in Cash and Cash Equivalent	33.01	(535.73)

As per our Report of even date

For **Bansal & Associates**

Chartered Accountants

S. K. Bansal

Proprietor

Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors

Puneet Makar – *Chairman & Managing Director*

Yogiraj Makar – *Director*

Fali P. Mama – *Director*

Sunil Aggarwal – *Director*

B. L. Gupta – *Director*

Rakesh Khanna – *Director*

Mumbai, 31st August, 2009.

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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

		<i>(Rs. In Lacs)</i>	
		As at 31st March, 2009	As at 31st March, 2008
SCHEDULE-1			
SHARE CAPITAL			
AUTHORISED			
9,87,50,000	Equity Shares of Rs. 2 each	1,975.00	1,975.00
25,000	15% Redeemable Cumulative Pref. Shares of Rs.100 each	25.00	25.00
		<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP			
1,48,20,206	(1,48,20,206) Equity Shares of Rs 2 each fully paid up (out of the above, 30,00,000 Equity Shares have been issued as Bonus Shares by capitalisation of General Reserve, 24,68,370 Equity Shares have been issued to the shareholders of amalgamating Companies for consideration other than cash, and 2,80,000 Equity Shares have been allotted at par to one of the Financial Institutions on their exercising conversion option)	296.40	296.40
		<u>296.40</u>	<u>296.40</u>
SCHEDULE-2			
RESERVES AND SURPLUS			
CAPITAL RESERVE			
	As per last Balance Sheet	16.26	16.26
CAPITAL REDEMPTION RESERVE			
	As per last Balance Sheet	15.10	15.10
SECURITIES PREMIUM ACCOUNT			
	As per last Balance Sheet	1,831.95	1,831.95
GENERAL RESERVE			
	As per last Balance Sheet	4,287.57	4,287.57
	Less: Balance in Profit and Loss Account	3,092.34	2,615.16
		<u>1,195.23</u>	<u>1,672.41</u>
		<u>3,058.54</u>	<u>3,535.72</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

(Rs. In Lacs)

As at 31st
March, 2009 As at 31st
March, 2008

SCHEDULE-3
SECURED LOANS
OTHER BORROWINGS

Other Loans	89.03	136.16
(Due within one year Rs. 41.98 lacs {Rs.47.12 lacs})	89.03	136.16
	89.03	136.16

Note: For details of nature of security, etc., refer Note No. 2 of Schedule 19

SCHEDULE-4
UNSECURED LOANS

Interest Free Sales Tax Loan (Due within one year Rs. NIL {Rs. 2.97 lacs})	-	2.97
From a Financial Institution {Due within one year Rs. NIL - (Rs.-Nil)}	111.83	111.83
From Companies	760.24	706.24
	872.07	821.04

SCHEDULE-5
CURRENT LIABILITIES & PROVISIONS
CURRENT LIABILITIES

Sundry Creditors	1,185.45	1,122.74
Advances from Customers	29.74	8.36
Other Liabilities	260.50	331.09
	1,475.70	1,462.19

PROVISIONS:

Gratuity	76.25	61.46
Leave Encashment	21.83	13.57
	98.08	75.03
	1,573.78	1,537.22

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

SCHEDULE-6 : FIXED ASSETS

(Rs. In Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	During the year		As at 31.03.2009	Upto 31.03.2008	For the Year	Deduction/ Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
		Additions	Deduction/ Adjustments							
Leasehold Land	13.46	–	–	13.46	8.00	0.79	–	8.79	4.67	5.46
Buildings	607.96	–	–	607.96	90.44	12.04	–	102.48	505.48	517.52
Plant & Machinery and Electrical Installations*	1,512.23	10.67	29.67	1,493.23	1,120.37	45.71	27.37	1,138.71	354.52	391.86
Furniture Fixtures and Office Equipment	309.98	2.11	–	312.09	75.37	18.53	–	93.90	218.19	234.61
Vehicles *	248.99	–	8.13	240.86	74.14	19.84	7.72	86.26	154.60	174.85
Grand Total	2,692.62	12.78	37.80	2,667.60	1,368.30	96.92	35.09	1,430.13	1,237.47	1,324.32
Previous Year	2,602.27	149.61	59.26	2,692.62	1,297.42	93.85	22.97	1,368.30	1,324.32	1,304.84

Notes: 1) Building include Rs. 0.05 Lacs being cost of shares in Co-operative Housing Societies.

2) * Includes Rs. 239.49 Lacs (172.30) Lacs purchased on Loan against Hypothecation of Vehicles / Machines.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

		<i>(Rs. In Lacs)</i>		
		As at 31st March, 2009	As at 31st March, 2008	
SCHEDULE-7				
INVESTMENTS Non-Trade				
Long Term (Quoted) (At Cost)				
Equity Shares (Fully paid up)				
800	(800)	Shares of Rs. 10 each in Firth (India) Steel Co. Ltd.	0.12	0.12
12302	(10000)	Shares Re. 1 Each fully paid up in Indian Hotels Co. Ltd.	15.33	13.72
Nil	(545)	Shares Rs. 10 Each fully paid up in Reliance Power Ltd.	-	2.45
Nil	(1100)	Shares Rs. 10 Each fully paid up in Reliance Energy Ltd.	-	19.25
Nil	(500)	Shares Rs. 10 Each fully paid up in Reliance Industries Ltd.	-	12.87
2000	(2000)	Shares Rs. 2 Each fully paid up in DLF Ltd.	16.07	16.07
Nil	(11250)	Shares of Rs. 2/- each fully paid in EIH Ltd.	-	9.13
Nil	(5000)	Shares of Rs. 10/- each fully paid up in Reliance Petroleum Ltd.	-	3.77
			31.52	77.38
Current (Unquoted) (Fully paid up)				
In Equity Shares				
2000000	(Nil)	Shares of Rs. 10 each Fully paid up in Dujon Commercial Pvt. Ltd.	200.00	-
In Units of Mutual Fund				
36630.37	(36630.37)	Units of Rs. 10 each of Birla Midcap Fund	10.00	10.00
30742.745	(30742.745)	Units of Rs. 10 each of Birla Sunlife Equity Fund	25.00	25.00
Nil	(602279.381)	Units of Rs. 10 each of Birla Sunlife Income Fund - Monthly Plan - Series II	-	60.01
48762.410	(48762.410)	Units of HDFC Equity Fund	25.00	25.00
59442.077	(59442.077)	Units of JM Basic Fund	20.00	20.00
70596.541	(70596.541)	Units of Reliance Banking Fund	20.00	20.00
95647.085	(95647.085)	Units of Reliance Diversified Power Sector Fund	51.41	50.00
250366.748	(250366.748)	Units of Reliance Natural Resources Fund	25.60	25.60
7603	(Nil)	DSP Black Rock Money Manager Fund - regular - Daily Divd.	76.09	-
303786	(Nil)	Fortis Money Plus Fund	30.39	-
400213	(Nil)	IDFC Money Manager Investment Plan - Plan A	40.08	-
163382	(Nil)	LIC Mutual Fund Liquid Plus Fund	16.34	-
203110	(Nil)	Tata Floater Fund	20.20	-
5,00,000	(5,00,000)	Units of Rs. 10 each of Prudential ICICI FMP Series - 35	-	50.00
Debentures (Unquoted)				
50	(Nil)	Secured Redeemable Non Convertible Debentures of Rs. 1,00,000/- each of DSP Merrillynch Ltd.	50.00	50.00
50,000	(Nil)	Non Convertible Debentures of Rs. 102/- each of Edelweiss Securities Pvt. Ltd.	51.00	51.00
			661.11	386.61
			692.63	463.99
			31.52	77.38
			8.20	74.17
			661.11	386.61

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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

	(Rs. In Lacs)		
	As at 31st March, 2009	As at 31st March, 2008	
SCHEDULE-7			
INVESTMENTS Non-Trade (Contd.)			
Movements of Investments during the year:	Units (Nos)	Purchase	Sale
	Purchased/Sold	Value	Value
MUTUAL FUND			
DWS Credit Opportunity Cash Fund	770,792	77.14	77.14
DWS Money Plus Fund	1,112,256	110.00	110.00
Edelweiss Liquid Plus Fund	509,058	50.26	50.26
LIC Mutual Fund - Liquid Fund	1,411,243	141.00	141.00
LIC Mutual Fund - Liquid Plus Fund	1,350,000	135.00	135.00
Tata Floater Fund	307,207	30.60	30.16
EQUITY SHARES			
Reliance Communication Limited	5,250	8.80	8.60
Reliance Industries Limited	1,500	19.41	18.98
	5,467,306	572.21	571.14
SCHEDULE-8			
CURRENT ASSETS			
INVENTORIES (as certified by a Director)			
Raw Materials & Components (Including in transit) (at cost)		162.99	259.74
Work in Progress (at estimated cost)		97.89	118.75
Finished Goods (lower of cost or net realisable value)		183.40	279.81
Stores and Spares (at cost)		58.45	63.17
Die Steel Blocks (at cost)		45.90	34.38
Dies (at cost, less amortisation/write offs)		99.93	99.93
		648.56	855.77
SUNDRY DEBTORS (Unsecured)			
Over six months			
- Considered Good		560.62	265.85
- Considered Doubtful		-	-
		560.62	265.85
Other Debts			
- Considered Good		182.58	902.34
		743.20	1,168.19
Less : Provision for Doubtful Debts		-	-
		743.20	1,168.19
CASH AND BANK BALANCES			
Cash on hand		29.51	26.66
Balance with Scheduled Banks			
- In Current Account		49.59	19.43
- In Margin Money Deposit Account		9.66	9.66
		88.76	55.75
		1,480.52	2,079.71
SCHEDULE-9			
LOANS AND ADVANCES			
(Unsecured, considered good)			
Due from Employees		7.04	9.51
Advances recoverable in cash or in kind or for value to be received		1,432.52	528.63
Interest Accrued on Investments		65.54	95.76
Inter Corporate Deposites		-	1,265.00
Loans to Subsidiary		995.00	-
Balances with Central Excise Department		31.30	34.91
Deposits		70.14	69.07
Advance payment against Taxes (Net)		153.11	103.62
		1,759.65	2,106.51

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

	<i>(Rs. In Lacs)</i>	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
SCHEDULE-10		
OPERATIONAL INCOME		
Domestic Sales	2,409.01	4,318.52
Export Sales	217.20	289.35
Export Incentives	4.39	3.89
Scrap Sales	305.94	356.86
Sales Tax Set off	-	110.21
	<u>2,936.54</u>	<u>5,078.83</u>
SCHEDULE-11		
ACCRETION/(DECRETION) TO STOCKS		
OPENING STOCK - Work in Progress	118.75	97.21
- Finished Goods	279.81	274.18
	<u>398.56</u>	<u>371.39</u>
CLOSING STOCK - Work in Progress	97.89	118.75
- Finished Goods	183.40	279.81
	<u>281.29</u>	<u>398.56</u>
ACCRETION/(DECRETION)	<u>(117.27)</u>	<u>27.17</u>
SCHEDULE-12		
OTHER INCOME		
Dividend Received	13.82	10.23
Interest (Gross) (T.D.S.Rs.27.47 Lacs [Rs. 37.17 Lacs])	119.96	172.29
Profit on Sale of Investments - Long Term	16.38	38.54
Profit on Sale of Investments - Short Term	-	11.91
Miscellaneous Income	6.01	11.90
	<u>156.17</u>	<u>244.87</u>
SCHEDULE-13		
RAW MATERIALS & COMPONENTS CONSUMED		
Opening Stock	259.74	226.10
Add: Purchases	1,992.90	3,144.50
	<u>2,252.64</u>	<u>3,370.60</u>
Less: Closing Stock	162.99	259.74
	<u>2,089.65</u>	<u>3,110.86</u>
SCHEDULE-14		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Bonus etc.	383.90	435.31
Contribution to Provident and other Funds	59.29	53.57
Workers & Staff Welfare Expenses	22.84	21.51
	<u>466.03</u>	<u>510.39</u>

Annual Report 2008-2009

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009

	<i>(Rs. In Lacs)</i>	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
SCHEDULE-15		
MANUFACTURING EXPENSES		
Sub Contract Work	99.91	212.03
Power, Fuel and Oil	374.84	633.60
Dies Consumed / Amortized	77.61	93.05
Stores and Tools Consumed	80.00	69.85
Excise Duty	104.16	232.22
Machinery Repairs	8.68	37.28
Building Repairs	–	1.84
	<u>745.19</u>	<u>1,279.86</u>
 SCHEDULE-16		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent, Rates & Taxes	48.58	56.98
Insurance	3.02	2.58
Commission on sales	–	–
Freight and packing	44.09	76.19
General Repairs	7.87	17.71
Printing & Stationery	4.68	12.05
Professional / Legal Charges	104.11	108.51
Telephone Expenses	7.14	7.64
Travelling & Conveyance	31.94	42.43
Exchange Rate Fluctuation (Net)	–	9.09
Other Expenses	59.60	53.01
	<u>311.03</u>	<u>386.20</u>
 SCHEDULE-17		
INTEREST		
Others	51.55	51.96
	<u>51.55</u>	<u>51.96</u>
 SCHEDULE-18		
PRIOR YEAR ADJUSTMENTS		
Others (Net)	(8.19)	(14.99)
	<u>(8.19)</u>	<u>(14.99)</u>

SCHEDULE-19

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. Significant Accounting Policies :

- (i) **Method of Accounting**
The financial statements are prepared under the historical cost convention as a going concern and on accrual basis, except for claims receivable/payable, which are accounted if there are no significant uncertainties.
- (ii) **Fixed Assets and Depreciation**
Fixed assets are stated at cost. The Company capitalizes all costs relating to acquisition and installation of fixed assets. Depreciation on the fixed assets is charged on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
Free hold land is stated at cost. Cost of leasehold land is amortized over the period of lease.
- (iii) **Investments**
Long term investments are stated at cost. Provision is made for diminution in the value of long term investment if such diminution is perceived as permanent in nature.
Current Investments are stated at lower of cost or market value, whichever is lower to the Company.
- (iv) **Inventories**
Raw Material & Components, Stores and Spares, Die Steel Blocks are valued at cost. Cost is reckoned on "FIFO" basis.
Work in Progress is valued at estimated cost.
Finished Goods are valued at lower of cost or net realizable value.
Dies are valued at cost, less amortization / write offs based on expected life and usage till the year end.
- (v) **Foreign Currency Transactions**
Foreign currency current assets and liabilities outstanding at the year-end are restated at the year-end rates. Loss or gain arising on such re-statement is recognized in the Profit and Loss Account.
Exchange difference arising on translation of foreign currency loans availed for acquisition of fixed assets is adjusted in the carrying amount of the respective fixed assets and in respect of others, such exchange difference is recognized as income or expense in the period in which they arise. In respect of transactions covered by forward contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the Profit and Loss Account over the period of the contract.
- (vi) **Sales**
Sales are inclusive of excise duty but exclude sales tax.
Domestic sales are accounted on the basis of dispatch from the factories. Export sales are accounted on the basis of the date of Bills of Lading.
- (vii) **Export Benefits**
In respect of exports, where duty paid/indigenous material has been used in anticipation of receipt of duty free material subsequently imported under the Advance License Scheme, the excess cost of duty paid/indigenous material over the cost of duty free material is credited to Profit and Loss Account in the year of exports; and is charged to revenue when such duty free material is consumed.
In respect of exports made under Duty Entitlement Pass Book Scheme, the eligible benefits at notified rates are credited to the Profit & Loss Account in the year of export; and charged to revenue when these benefits are utilized for imports or are sold.
- (viii) **Retirement Benefits**
- (a) **Short Term Employee Benefits**
Short Term Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders related service.
- (b) **Post Employment benefits (defined benefit plans)**
The employee's gratuity scheme is a defined post employment benefit plan. The plan is managed by Trust and the Liability for gratuity is funded with an approved gratuity fund. The company makes annual contribution to the trust and the present value of the obligation under such defined plan is determined at each balance sheet date based on actuarial valuation using projected unit credit method. Actuarial gains and losses are recognized in the Profit & Loss Account.
- (c) **Defined Contribution Plan**
The company makes contributions to the provident fund, a defined contribution plan in which both the employees and the company make monthly contributions as specified percentage of the salary (at present 12% of basic salary). The contributions are paid to the statutory authorities and the company recognizes such contribution as expense of the year in which the liability is incurred.
- (d) **Other Long Term Employee benefits / Termination benefits**
The company does not have any long term employee benefits as well as termination benefit other than as disclosed above.

(ix) **Taxation**

Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax Asset is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). The management is of the opinion that sufficient future taxable income will be available against which, such deferred tax assets will be realized.

2. Borrowings & Securities

- (i) Other Loans include Vehicle / Machinery Loans, which are secured by exclusive hypothecation of such Asset. Machinery Loan is additionally secured by personal guarantee of one of the Directors.
 - (ii) In terms of Scheme of Demerger, Mahindra Forgings Ltd. (MFL) (Formerly Mahindra Automotive Steels Ltd.) has agreed to Guarantee to discharge Debt of Rs. 834.50 lacs of the remaining business as of the appointed date i.e. 1st April, 2005 and also agreed to guarantee payment of Interest on the above said debts from the appointed date. Pursuant to this, MFL has discharged a debt of Rs. 722.67 lacs till the end of the current financial year.
3. Income-tax assessments have been completed upto Assessment Year 2006-07 (A.Y. 2005-06). The demand of Rs. 101.03 lacs has been raised for A.Y. 2005 - 06. The Company has disputed this demand and filed an appeal with CIT (Appeals). In the opinion of the Management, company does not envisage any further liability, in the above matter.

(Rs. in Lacs)

4. Contingent Liabilities not provided for	As at 31st March, 2009	As at 31st March, 2008
(i) Bank Guarantees outstanding in favour of the Government and other parties	9.44	9.44
(ii) Towards Excise Duty demands against which the Company has preferred appeal	485.57	363.15
(iii) Towards Custom Duty demands against which the Company has preferred appeal	120.68	120.68
(iv) Claims against the Company not acknowledged as debts	143.26	143.26
(iv) Others (Income Tax)	101.03	101.03

5. Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. Nil (Prev. Year Rs. Nil).

6. Advances recoverable in cash or in kind include Rs. 151.66 lacs (Rs.151.66 lacs) towards expenses incurred/payments to a consultants' firm for performance improvement program at one of the Company's plants. Since in view of management, the consultants have not achieved and delivered the mutually agreed upon projected results, the Company has filed a suit for recovery of the amounts paid/expenses incurred along with compensation for damages. The Company has also deposited Rs. 73.12 lacs with the Hon'ble Bombay High Court. The matter is subjudice. Requisite adjustments will be made on attaining finality.

7. Payments to and provisions for Employee

include remuneration to Chairman and Managing Director

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(i) Salary	4.80	Nil
(ii) Perquisites	0.02	Nil
(iii) Contribution to Provident / Superannuation Gratuity Fund	0.36	Nil
TOTAL	* 4.82	Nil

Note : Payment made for Professional Fees includes Rs. 24.46* Lacs (Previous Year Rs. 25.48 lacs) towards payments made to Non Executive Directors.

* Subject to approval at ensuing General Meeting.

8. Other Expenses includes

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(i) Donations	0.49	0.49
(ii) Directors' Sitting Fees	0.35	0.29

9. Auditors' Remuneration

	Current Year	Previous Year
(i) Audit Fees	1.50	1.50
(ii) Tax Audit Fees	0.50	0.50
(iii) Certifications / Limited Review Reports	0.35	0.35
(iv) Reimbursement of Expenses	0.25	0.25
(v) Service Tax & Education Cess	-	0.31
TOTAL	2.60	2.91

10. Capacities and Production	Unit	Licensed Capacity	Installed Capacity (3 shifts basis)	Production
Forging	M.T.	– (–)	7,200 (7,200)	2449 (5350)

(i) Installed Capacity being a technical matter, is as certified by a Director and relied upon by the Auditors.

11. Turnover, Opening and Closing Stocks				(Value in Rs. Lacs)			
	Unit	Turnover		Opening Stock		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value
Forging	M.T.	2549 (5239)	2626.21 (4607.87)	327 (216)	279.81 (274.18)	227 (327)	183.40 (279.81)
TOTAL			2626.21 (4607.87)	327 (216)	279.81 (274.18)	227 (327)	183.40 (279.81)

12. Raw Materials & Components Consumed	M.T.	Rs. in Lacs
Steel	3739 (7962)	2089.65 (3110.86)
Total		2089.65 (3110.86)

13. Value of Raw Material and Components Consumed	Raw Material (Steel)	
	Rs. in Lacs	%
Indigenous	2089.65 (3110.86)	100 (100)

14. Value of Imports (C.I.F.)	(Rs. in Lacs)
Capital Goods	Nil (23.32)

15. Earnings in Foreign Exchange	
Exports (F.O.B. Value)	209.86 (285.82)

16. Expenditure in Foreign Currency	
Foreign Travel	0.96 (5.29)

17. Disclosures as per revised AS 15 for Defined Benefit Plan	(Rs. in Lacs)
Reconciliation of opening and closing balance of obligation	01.04.2008 to 31.03.2009
Period	
Actuarial Value of Projected Benefit Obligations (PBO) (01.04.2008)	110.16
Interest Cost from 01.04.2008 to 31.03.2009	8.81
Service Cost from 01.04.2008 to 31.03.2009	7.23
Benefits Paid from 01.04.2008 to 31.03.2009	6.58
Actuarial Gain / Loss on obligations	11.16 Loss
PBO at the end (31.03.2009)	130.79

Expenses recognized in Profit & Loss Account

P & L A/c Statement

	(Rs. in Lacs)
Interest Cost from 01.04.2008 to 31.03.2009	8.81
Service Cost from 01.04.2008 to 31.03.2009	7.57
Actual return on plan assets from 01.04.08 to 31.03.09	5.83
Gain / Loss recognized as on 31.03.08	11.16 Loss
Net Cost to be shown in P & L A/c as expense	21.71

Amount recognized in Balance Sheet

Balance Sheet Statement :-

	(Rs. in Lacs)
Present value of the Obligation at 31.03.09	130.79
Fair value of plan assets at 31.03.09	109.41
Un-funded Liability at 31.03.09	21.38
Unrecognized actuarial gains/losses	Nil
Un-funded liability recognized in Balance Sheet	21.38

Principal actuarial assumptions

Date of Valuation

Discounting Rate	8.00% p.a.
Rate of Increase in Compensation level	5.00% p.a.
Rate of Return on Plan Assets	N.A.
Mortality Table	L.I.C. (1994-96) ULTIMATE

- 18.** The Company made an application for closure of its Chinchwad Plant with the Labour Commissioner, Maharashtra. However, when the Company sought to withdraw the said application, the Labour Commissioner refused to allow the withdrawal and, instead, passed an order rejecting the application for closure. Now, the Company has preferred petition in the Hon'ble Bombay High Court against the said refusal of the Labour Commissioner to withdraw the application.
- 19.** Subsequent to rejection of closure application, Company has declared a Lock-out with effect from 28th May, 2009 under subsection 2 of section 24 of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971.
- 20.** During the year, company has acquired 10,000 Equity Shares of Rs. 10/- each at par in the 100% equity of Dujon Commercial Pvt. Ltd. (Dujon) on 27th October, 2008. Consequently the Dujon became a wholly owned subsidiary of the Company. Subsequently company made a further investment of Rs. 199 lacs in 19,90,000 Equity Shares of Rs. 10/- each in capital of the subsidiary company.
- 21.** In terms of Accounting Standard - 22, issued by the Institute of Chartered Accountants of India, (Accounting for Taxes on Income). For the current year, Deferred Tax Asset of Rs. 367.55 Lacs (Deferred Tax Liability of Rs. 64.35 lacs) has been recognized in the Accounts as the management is of the opinion that the Company will be able to utilize the balance Deferred Tax Asset against future taxable income as per the applicable current Income Tax Laws.

The major components of the Deferred Tax Assets / (Liability) as on 31st March, 2009 based on the tax effects of the timing differences, are as follows:

	(Rs. in Lacs)	
	Current Year	Previous Year
a. Timing Difference of Depreciation between Taxation & Books of Accounts.	(203.60)	(206.15)
b. Unabsorbed Depreciation	83.74	48.51
c. Carried Forward Business Losses	714.05	322.08
d. Others	97.93	160.13
Net Total	<u>692.12</u>	<u>324.57</u>

- 22.** In terms of Accounting Standard - 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India, The Company has operated in only one segment i.e. Forgings.
- 23.** Other Extra Ordinary Gains / (Loss) have arisen on disposal of certain assets / investments of the Company and includes Rs. Nil (Rs. 4.17) as bad debts written off during the year.

24. Related Party Disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India, are given below :

A. Relationships :

- a) Associates / Group Companies / Firm
- i. Nainesh Investment & Trading Co. Pvt. Ltd.
 - ii. Viniyog Investment & Trading Co. Pvt. Ltd.
 - iii. Devidass Private Ltd.
 - iv. Dujon Commercial Private Limited
 - v. Makar Estates
- b) Key Management Personnel
- (i) Mr. Yogiraj Makar
 - (ii) Mr. Puneet Makar
 - (iii) Mr. Fali P. Mama
 - (iv) Mrs. Reshma Makar (upto 29th May, 2008)

B. The following transactions were carried out with the related parties:

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
(i) Payment of Remuneration / Fees	49.27	48.30
(ii) Payment of Interest	6.40	0.64
(iii) Payment of Rent	40.20	43.20
(iv) Inter Corporate Deposit Borrowed	157.00	10.00
(v) Inter Corporate Deposit Redeemed	103.00	18.00
(vi) Loan Subsidiary	995.00	-
(vii) Subscription to Equity	200.00	-

25. Calculation of Basic & Diluted Earning Per Share as per Accounting Standard - 20 (Earning Per Share) issued by the Institute of Chartered Accountants of India:

	As at 31.03.2009	As at 31.03.2008
Net Profit (Loss) (Rs. in Lacs)	(477.18)	(223.36)
Weighted Average number of Equity Shares outstanding during the year (Nos.)	1,48,20,206	1,48,20,206
Nominal Value per Share (Rs.)	2	2
Basic & Diluted Earning per Share +/- (Rs.)	(3.22)	(1.51)

26. In the absence of information from suppliers as to their status, the Company does not possess a list of small scale suppliers covered under MSMED, Act, 2006. It is therefore not possible to determine the amount due and interest (if any) thereon as required by "The Interest on Delayed Payments to Micro, Small and Medium Enterprises Development Act, 2006".

27. The outstanding balances as at 31st march 2009 in respect of Sundry debtors, Creditors, Loans and Advances and Deposits are subject to confirmation from the respective parties and consequential reconciliation / adjustments arising there from if any. The Management, however, does not expect any material variation.

28. The Company has made an application to the Central Government for exempting the company from operation of Section 383A of the Companies Act, 1956.

29. Figures for the previous year have been given in the bracket and are regrouped and rearranged wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 19

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – Chairman & Managing Director
Yogiraj Makar – Director
Fali P. Mama – Director
Sunil Aggarwal – Director
B. L. Gupta – Director
Rakesh Khanna – Director

Mumbai, 31st August, 2009.

INFORMATION PURSUANT TO PART - IV OF THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">5</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">9</td></tr> </table>			1	5	1	1	9	State Code	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 15px; height: 15px; text-align: center;">1</td><td style="width: 15px; height: 15px; text-align: center;">1</td></tr> </table>	1	1
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Balance Sheet Date	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">9</td></tr> </table>		3	1	0	3	0	9				
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	Date Month Year											

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue						
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N	I	L					
N	I	L					
Bonus Issue	Private Placement						
<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 15px; height: 15px; text-align: center;">N</td><td style="width: 15px; height: 15px; text-align: center;">I</td><td style="width: 15px; height: 15px; text-align: center;">L</td></tr> </table>	N	I	L	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 15px; height: 15px; text-align: center;">N</td><td style="width: 15px; height: 15px; text-align: center;">I</td><td style="width: 15px; height: 15px; text-align: center;">L</td></tr> </table>	N	I	L
N	I	L					
N	I	L					

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">4</td></tr> </table>		4	3	1	6	0	4	Total Assets	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">4</td></tr> </table>		4	3	1	6	0	4
	4	3	1	6	0	4											
	4	3	1	6	0	4											
Sources of Funds																	
Paid-up Capital	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">0</td></tr> </table>		2	9	6	4	0	Reserves & Surplus	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">5</td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">5</td><td style="width: 10px; height: 15px; text-align: center;">4</td></tr> </table>		3	0	5	8	5	4	
	2	9	6	4	0												
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Share Application Money	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">N</td><td style="width: 10px; height: 15px; text-align: center;">I</td><td style="width: 10px; height: 15px; text-align: center;">L</td></tr> </table>				N	I	L	Unsecured Loans	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">7</td></tr> </table>		8	7	2	0	7		
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	8	7	2	0	7												
Secured Loans	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">0</td><td style="width: 10px; height: 15px; text-align: center;">3</td></tr> </table>		8	9	0	3											
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Application of Funds																	
Net Fixed Assets	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">0</td></tr> </table>		1	2	6	4	9	0	Investments	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">3</td></tr> </table>		6	9	2	6	3	
	1	2	6	4	9	0											
	6	9	2	6	3												
Net Current Assets	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">9</td></tr> </table>		1	6	6	6	3	9	Deferred Tax Asset	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">2</td></tr> </table>		6	9	2	1	2	
	1	6	6	6	3	9											
	6	9	2	1	2												
Misc. Expenditure	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">N</td><td style="width: 10px; height: 15px; text-align: center;">I</td><td style="width: 10px; height: 15px; text-align: center;">L</td></tr> </table>				N	I	L	Accumulated Loss	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">N</td><td style="width: 10px; height: 15px; text-align: center;">I</td><td style="width: 10px; height: 15px; text-align: center;">L</td></tr> </table>				N	I	L		
			N	I	L												
			N	I	L												

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">5</td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">4</td></tr> </table>		2	9	7	5	4	4	Total Expenditure	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">3</td></tr> </table>		3	7	9	9	3	3		
	2	9	7	5	4	4													
	3	7	9	9	3	3													
Profit / (Loss) before Tax	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">(</td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">)</td></tr> </table>		(8	2	3	8	9)	Profit / (Loss) after Tax	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">(</td><td style="width: 10px; height: 15px; text-align: center;">4</td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">1</td><td style="width: 10px; height: 15px; text-align: center;">8</td><td style="width: 10px; height: 15px; text-align: center;">)</td></tr> </table>		(4	7	7	1	8)
	(8	2	3	8	9)												
	(4	7	7	1	8)												
Earning per Share in Rs.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">(</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">.</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">)</td></tr> </table>		(3	.	2	2)	Dividend Rate (%)	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">N</td><td style="width: 10px; height: 15px; text-align: center;">I</td><td style="width: 10px; height: 15px; text-align: center;">L</td></tr> </table>				N	I	L			
	(3	.	2	2)													
			N	I	L														

V. Generic Name of the Principal Products/Services of the Company

Item Code No. (ITC Code)	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">7</td><td style="width: 10px; height: 15px; text-align: center;">3</td><td style="width: 10px; height: 15px; text-align: center;">2</td><td style="width: 10px; height: 15px; text-align: center;">6</td><td style="width: 10px; height: 15px; text-align: center;">9</td><td style="width: 10px; height: 15px; text-align: center;">0</td></tr> </table>					7	3	2	6	9	0
				7	3	2	6	9	0		
Product Description	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px;"></td><td style="width: 10px; height: 15px; text-align: center;">F</td><td style="width: 10px; height: 15px; text-align: center;">O</td><td style="width: 10px; height: 15px; text-align: center;">R</td><td style="width: 10px; height: 15px; text-align: center;">G</td><td style="width: 10px; height: 15px; text-align: center;">I</td><td style="width: 10px; height: 15px; text-align: center;">N</td><td style="width: 10px; height: 15px; text-align: center;">G</td><td style="width: 10px; height: 15px; text-align: center;">S</td></tr> </table>			F	O	R	G	I	N	G	S
		F	O	R	G	I	N	G	S		

For and on behalf of the Board of Directors

Puneet Makar

Chairman & Managing Director

Mumbai, 31st August, 2009.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES:**

1. Name of the Subsidiary	Dujon Commercial Private Limited
2. Financial year of the Subsidiary	1st April 2008 to 31st March 2009
3. Shares of the subsidiary held by Amforge Industries Limited on the above date a. Number and face value of paid-up equity b. Extent of holding	2000000 Equity Shares of Rs. 10/- each 100%
4. Net Aggregate amount of Profit/(Losses) of the Subsidiary for the above financial year so far as these concerned members of the Holding Company a. Dealt within the accounts of Amforge Industries Limited for the year ended 31st March 2009 b. Not dealt within the accounts of Amforge Industries Limited for the year ended 31st March 2009	Loss of Rs. 91,41,832/- NIL Loss of Rs. 91,41,832/- (100% thereof would be Rs. 91,41,832/-)
5. Net aggregate amount of Profit/(Losses) for the previous financial years of the subsidiary since it became subsidiary so far as these concerned members of the Holding Company a. Dealt within the accounts of Amforge Industries Limited for the year ended 31st March 2009 b. Not dealt within the accounts of Amforge Industries Limited for the year ended 31st March 2009	Loss of Rs. 1,10,47,637/- NIL Loss of Rs. 1,10,47,637/- (100% thereof would be Rs. 1,10,47,637/-)
6. Changes of interest of Amforge Industries Limited in the subsidiary between the end of financial year of subsidiary and that of Amforge Industries Limited	Not Applicable
7. Material changes between the end of the financial year of the Subsidiary and the end of the financial year of Amforge Industries Limited in respect of subsidiary's fixed assets, investments, lending and Borrowing for the purposes other than meeting their current liabilities	Not Applicable

**AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

To the members of
Amforge Industries Limited

1. We have audited the attached Consolidated Balance Sheet of **AMFORGE INDUSTRIES LIMITED** and its subsidiary company as at 31st March, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of its subsidiary company, whose financial statements reflect total assets of Rs. 1220.00 lacs, total revenue of Rs. Nil and net cash flow amounting to Rs. 10.15 lacs. The financial statements of said subsidiary for the year ended 31st March, 2009 has been audited by other auditors whose report have been furnished to us. In our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard - 21 (AS 21) "Consolidated financial Statements" issued by the institute of chartered accountants of India.
5. Based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiary, In our opinion and to the best of our information and according to the explanations given to us, the said consolidated financial statements read together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the Loss for the year ended on that date ; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Proprietor

Membership No. - 12288

Mumbai, 31st August, 2009.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	(Rs. In Lacs) As at 31st March, 2009
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	296.40
Reserves & Surplus	2	2,856.65
		3,153.05
Loan Funds		
Secured Loans	3	89.03
Unsecured Loans	4	897.07
		986.10
TOTAL FUNDS EMPLOYED		4,139.15
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	6	2,667.60
Less : Depreciation		1,430.13
Net Block		1,237.47
Add : Capital Work in Progress		27.44
		1,264.90
Investments	7	1,555.96
Current Assets, Loans & Advances		
Current Assets	8	1,493.57
Loans and Advances	9	794.65
		2,288.22
Less : Current Liabilities & Provisions	5	1,664.43
Net Current Assets		623.79
Deferred Tax Assets (Net) (Refer Note No.17)		692.12
Miscellaneous Expenditure (To the extent not written off or adjusted)	10	2.38
TOTAL FUNDS UTILISED		4,139.15
Notes Forming Part of The Accounts	21	

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – *Chairman & Managing Director*
Yogiraj Makar – *Director*
Fali P. Mama – *Director*
Sunil Aggarwal – *Director*
B. L. Gupta – *Director*
Rakesh Khanna – *Director*

Mumbai, 31st August, 2009.

Annual Report 2008-2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	(Rs. In Lacs) For the year ended 31st March, 2009
INCOME		
Operational Income	11	2,936.54
Accretion/(Decretion) to Stocks	12	(117.27)
Other Income	13	156.17
		<u>2,975.44</u>
EXPENDITURE		
Raw Material and Components Consumed	14	2,089.65
Payments to and Provisions for Employees	15	466.03
Manufacturing Expenses	16	745.19
Administrative, Selling and Other Expenses	17	311.22
		<u>3,612.09</u>
PROFIT BEFORE INTEREST AND DEPRECIATION		(636.66)
Interest	18	142.19
PROFIT BEFORE DEPRECIATION AND AMORTISATION		(778.84)
Depreciation	6	96.92
Amortisation	19	0.59
NET PROFIT/(LOSS)		(876.35)
Add : Other Extra Ordinary Gains / (Loss) (Net)		(30.77)
PROFIT / (LOSS) FOR THE YEAR		(907.12)
Prior Years' Adjustments (Net)	20	(8.19)
NET PROFIT / (LOSS) BEFORE TAX		(915.31)
Provision for Tax - Current Tax (Wealth Tax)		0.70
- Fringe Benefit Tax		20.14
- Deferred Tax		367.55
PROFIT/(LOSS) AFTER TAX		(568.60)
Profit/(Loss) brought forward from previous year		<u>(2,725.63)</u>
BALANCE CARRIED TO BALANCE SHEET		<u>(3,294.23)</u>
Basic / Diluted Earning Per Share +/- (Rs.) (Refer Note No. 14)		(3.84)

Notes Forming Part of The Accounts

21

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – *Chairman & Managing Director*
Yogiraj Makar – *Director*
Fali P. Mama – *Director*
Sunil Aggarwal – *Director*
B. L. Gupta – *Director*
Rakesh Khanna – *Director*

Mumbai, 31st August, 2009.

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in Lacs)
For the Year ended
31st March, 2009

CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit Before Tax and Extraordinary Items	(876.35)
Adjustments for :	
Depreciation	96.92
Amortisation	0.60
Interest on Borrowings	142.09
Interest / Dividends Received (Net)	(106.89)
Profit / Loss on Sale of Assets	4.09
Net Profit on Sale of Assets, Extra ordinary items etc. (Net)	(23.82)
Profit on sale of investments	5.34
Earlier years Expenditure	(8.19)
Provision for Wealth Tax/Fringe Benefit Tax	(20.84)
	<u>89.29</u>
Operating Profit Before Working Capital Changes	(787.06)
Adjustments for :	
Trade and Other Receivables	791.33
Inventories	207.22
Trade and Other Payables	(4.34)
	<u>994.21</u>
Cash Generated from Operations	207.15
Direct Taxes / TDS	(49.49)
Interest on Borrowings	(142.09)
	<u>(191.58)</u>
Net Cash Generated in Operating Activities (A)	15.58
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(12.78)
Purchase of Investments	(384.71)
Sale of Fixed Assets	6.80
Sale of Investments	156.45
Interest / Dividends Received (Net)	106.89
Misc. / Deferred Revenue Exp. incurred / w/off	(2.97)
	<u>(130.32)</u>
Net Cash from Investment Activity (B)	(130.32)
CASH FLOW FROM FINANCING ACTIVITIES	
Increase in Equity Share Capital	199.00
Change in Borrowings - Secured Loans	(92.12)
Change in Borrowings - Unsecured Loans	51.03
	<u>157.91</u>
Cash from Financing Activity (C)	157.91
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	43.16
Cash or Cash Equivalent as on 1st April 2008 (Opening Balance)	58.65
Cash or Cash Equivalent as on 31st March 2009 (Closing Balance)	101.81
Net Increase/(Decrease) in Cash and Cash Equivalent	<u>43.16</u>

As per our Report of even date
For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor
Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors
Puneet Makar – *Chairman & Managing Director*
Yogiraj Makar – *Director*
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Sunil Aggarwal – *Director*
B. L. Gupta – *Director*
Rakesh Khanna – *Director*

Mumbai, 31st August, 2009.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

(Rs. In Lacs)

As at 31st
March, 2009

SCHEDULE-1

SHARE CAPITAL

AUTHORISED

9,87,50,000	Equity Shares of Rs. 2 each	1,975.00
25,000	15% Redeemable Cumulative Pref. Shares of Rs.100 each	25.00
		<u>2,000.00</u>

ISSUED, SUBSCRIBED AND PAID-UP

1,48,20,206	Equity Shares of Rs 2 each fully paid up (out of the above, 30,00,000 Equity Shares have been issued as Bonus Shares by capitalisation of General Reserve, 24,68,370 Equity Shares have been issued to the shareholders of amalgamating Companies for consideration other than cash, and 2,80,000 Equity Shares have been allotted at par to one of the Financial Institutions on their exercising conversion option)	296.40
		<u>296.40</u>

SCHEDULE-2

RESERVES AND SURPLUS

CAPITAL RESERVE

As per last Balance Sheet	16.26
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CAPITAL REDEMPTION RESERVE

As per last Balance Sheet	15.10
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SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet	1,831.95
---------------------------	----------

GENERAL RESERVE

As per last Balance Sheet	4,287.57
Less: Debit Balance in Profit and Loss Account	3,294.23
	<u>993.34</u>
	<u>2,856.65</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

(Rs. In Lacs)

As at 31st
March, 2009

SCHEDULE-3

SECURED LOANS

OTHER BORROWINGS

Other Loans	<u>89.03</u>
(Due within one year Rs. 41.98 lacs)	<u>89.03</u>
	<u><u>89.03</u></u>

Note: For details of nature of security, etc., refer Note No. 2 of Schedule 21

SCHEDULE-4

UNSECURED LOANS

From a Financial Institution (Due within one year Rs. NIL)	111.83
From Companies	<u>785.24</u>
	<u><u>897.07</u></u>

SCHEDULE-5

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	1,185.45
Advances from Customers	29.74
Other Liabilities	<u>351.15</u>
	1,566.42

PROVISIONS:

Gratuity	76.25
Leave Encashment	<u>21.83</u>
	<u>98.08</u>
	<u><u>1,664.50</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

SCHEDULE-6 : FIXED ASSETS

(Rs. In Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	During the year		As at 31.03.2009	Upto 31.03.2008	For the Year	Deduction/ Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
		Additions	Deduction/ Adjustments							
Leasehold Land	13.46	–	–	13.46	8.00	0.79	–	8.79	4.67	5.46
Buildings	607.96	–	–	607.96	90.44	12.04	–	102.48	505.48	517.52
Plant & Machinery and Electrical Installations*	1,512.23	10.67	29.67	1,493.23	1,120.37	45.71	27.37	1,138.71	354.52	391.86
Furniture Fixtures and Office Equipment	309.98	2.11	–	312.09	75.37	18.53	–	93.90	218.19	234.61
Vehicles *	248.99	–	8.13	240.86	74.14	19.84	7.72	86.26	154.60	174.85
Grand Total	2,692.62	12.78	37.80	2,667.60	1,368.30	96.92	35.09	1,430.13	1,237.47	1,324.32
Previous Year	2,602.27	149.61	59.26	2,692.62	1,297.42	93.85	22.97	1,368.30	1,324.32	1,304.84

Notes: 1) Building include Rs. 0.05 Lacs being cost of shares in Co-operative Housing Societies.

2) * Includes Rs. 239.49 Lacs (172.30) Lacs purchased on Loan against Hypothecation of Vehicles / Machinery.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

(Rs. In Lacs)
As at 31st
March, 2009

SCHEDULE-7
INVESTMENTS Non-Trade
Long Term (Quoted) (At Cost)
Equity Shares (Fully paid up)

800	Shares of Rs. 10 each in Firth (India) Steel Co. Ltd.	0.12
12302	Shares Re. 1 Each fully paid up in Indian Hotels Co. Ltd.	15.33
2000	Shares Rs. 2 Each fully paid up in DLF Ltd.	16.07
406840	Shares of Rs. 10/- each fully paid up in Mahindra Forgings Ltd.	1,063.33
		<u>1,094.85</u>

Current (Unquoted) (Fully paid up) in Equity Shares
In Units of Mutual Fund

36630	Units of Rs. 10 each of Birla Midcap Fund	10.00
30742	Units of Rs. 10 each of Birla Sunlife Equity Fund	25.00
48762	Units of HDFC Equity Fund	25.00
59442	Units of JM Basic Fund	20.00
70596	Units of Reliance Banking Fund	20.00
95647	Units of Reliance Diversified Power Sector Fund	51.41
250366	Units of Reliance Natural Resources Fund	25.60
7603	Units of DSP Black Rock Money Manager Fund - regular - Daily Divd.	76.09
303786	Units of Fortis Money Plus Fund	30.39
400213	Units of IDFC Money Manager Investment Plan - Plan A	40.08
163382	Units of LIC Mutual Fund Liquid Plus Fund	16.34
203110	Units of Tata Floater Fund	20.20

Debentures (Unquoted)

50	Secured Redeemable Non Convertible Debentures of Rs. 1,00,000/- each of DSP Merrillynch Ltd.	50.00
50000	Non Convertible Debtures of Rs. 102/- each of Edelweiss Securities Pvt. Ltd.	51.00

461.11

1,555.96

1. Aggregate of quoted investments - Cost	1,094.85
- Market Value	159.54
2. Aggregate cost of unquoted investments	461.11

Movements of Investments during the year:
MUTUAL FUND

	Units (Nos)	Purchase	Sale
	Purchased/Sold	Value	Value
DWS Credit Opportunity Cash Fund	770,792	77.14	77.14
DWS Money Plus Fund	1,112,256	110.00	110.00
Edelweiss Liquid Plus Fund	509,058	50.26	50.26
LIC Mutual Fund - Liquid Fund	1,411,243	141.00	141.00
LIC Mutual Fund - Liquid Plus Fund	1,350,000	135.00	135.00
Tata Floater Fund	307,207	30.60	30.16

EQUITY SHARES

Reliance Communication Limited	5,250	8.80	8.60
Reliance Industries Limited	1,500	19.41	18.98
	<u>5,467,306</u>	<u>572.21</u>	<u>571.14</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

	<i>(Rs. In Lacs)</i> As at 31st March, 2009
SCHEDULE-8	
CURRENT ASSETS	
INVENTORIES (as certified by a Director)	
Raw Materials & Components (Including in transit) (at cost)	162.99
Work in Progress (at estimated cost)	97.89
Finished Goods (lower of cost or net realisable value)	183.40
Stores and Spares (at cost)	58.45
Die Steel Blocks (at cost)	45.90
Dies (at cost, less amortisation/write offs)	99.93
	648.56
SUNDRY DEBTORS (Unsecured)	
Over six months	
- Considered Good	560.62
- Considered Doubtful	-
	560.62
Other Debts	
- Considered Good	182.58
	743.20
Less : Provision for Doubtful Debts	-
	743.20
CASH AND BANK BALANCES	
Cash on hand	29.67
Balance with Scheduled Banks	
- In Current Account	62.48
- In Margin Money Deposit Account	9.66
	101.81
	1,493.57
SCHEDULE-9	
LOANS AND ADVANCES	
(Unsecured, considered good)	
Due from Employees	7.04
Advances recoverable in cash or in kind or for value to be received	467.52
Balances with Central Excise Department	31.30
Deposits	70.14
Advance payment against Taxes (Net)	153.11
	729.11
SCHEDULE-10	
MISCELLANEOUS EXPENDITURE	
Preliminary Expenses	
Opening Balance	-
Add : Addition During the year	2.97
Less : Written off During the year	0.59
	2.38

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

(Rs. In Lacs)
For the period ended
31st March, 2009

SCHEDULE-11

OPERATIONAL INCOME

Domestic Sales	2,409.01
Export Sales	217.20
Export Incentives	4.39
Scrap Sales	305.94
	2,936.54

SCHEDULE-12

ACCRETION/(DECRETION) TO STOCKS

OPENING STOCK - Work in Progress	118.75
- Finished Goods	279.81
	398.56
CLOSING STOCK - Work in Progress	97.89
- Finished Goods	183.40
	281.29
ACCRETION/(DECRETION)	(117.27)

SCHEDULE-13

OTHER INCOME

Dividend Received	13.82
Interest (Gross) (T.D.S.Rs.26.89 Lacs)	119.96
Profit on Sale of Investments - Long Term	16.38
Miscellaneous Income	6.01
	156.17

SCHEDULE-14

RAW MATERIALS & COMPONENTS CONSUMED

Opening Stock	259.74
Add: Purchases	1,992.90
	2,252.64
Less: Closing Stock	162.99
	2,089.65

SCHEDULE-15

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages, Bonus etc.	383.90
Contribution to Provident and other Funds	59.29
Workers & Staff Welfare Expenses	22.84
	466.03

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2009**

(Rs. In Lacs)
For the period ended
31st March, 2009

SCHEDULE-16

MANUFACTURING EXPENSES

Sub Contract Work	99.91
Power, Fuel and Oil	374.84
Dies Consumed / Amortized	77.61
Stores and Tools Consumed	80.00
Excise duty	104.16
Machinery Repairs	8.68
	<u>745.19</u>

SCHEDULE-17

ADMINISTRATIVE, SELLING & OTHER EXPENSES

Rent, Rates & Taxes	48.58
Insurance	3.02
Freight and packing	44.09
General Repairs	7.87
Printing & Stationery	4.68
Professional / Legal Charges	104.11
Telephone Expenses	7.14
Travelling & Conveyance	31.94
Other Expenses	59.79
	<u>311.22</u>

SCHEDULE-18

INTEREST

Others	142.19
	<u>142.19</u>

SCHEDULE-19

AMORTISATION

Preliminary Expenses	0.59
	<u>0.59</u>

SCHEDULE-20

PRIOR YEAR ADJUSTMENTS

Others (Net)	(8.19)
	<u>(8.19)</u>

SCHEDULE-21**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009****1. Method of Accounting**

The financial statements are prepared under the historical cost convention as a going concern and on accrual basis, except for claims receivable/payable, which are accounted if there are no significant uncertainties.

2. Basis of Consolidation

The Consolidated Financial Statements (CFS) relate to Amforge Industries Ltd and its Subsidiary Company Dujon Commercial Private Limited.

The Consolidation of accounts is done in accordance with the requirements of Accounting Standard - 21 (AS 21) "Consolidation of Financial Statements" issued by the Institute of Chartered Accountants of India. Financial statements of Subsidiary was prepared for the year ended 31st March, 2009 and the same have been adopted for consolidation.

The consolidated financial statements have been prepared based on a line by line consolidation of Profit & Loss Account and Balance Sheet. All inter company balances and transactions are eliminated on consolidation.

3. Significant Accounting Policies :-*(i) Fixed Assets and Depreciation*

Fixed assets are stated at cost. The Company capitalizes all costs relating to acquisition and installation of fixed assets. Depreciation on the fixed assets is charged on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Free hold land is stated at cost. Cost of leasehold land is amortized over the period of lease.

(ii) Investments

Long term investments are stated at cost. Provision is made for diminution in the value of long term investment if such diminution is perceived as permanent in nature.

Current Investments are stated at lower of cost or market value, whichever is lower to the Company.

(iii) Inventories

Raw Material & Components, Stores and Spares, Die Steel Blocks are valued at cost. Cost is reckoned on "FIFO" basis.

Work in Progress is valued at estimated cost.

Finished Goods are valued at lower of cost or net realizable value.

Dies are valued at cost, less amortization / write offs based on expected life and usage till the year end.

(iv) Foreign Currency Transactions

Foreign currency current assets and liabilities outstanding at the year-end are restated at the year-end rates. Loss or gain arising on such re-statement is recognized in the Profit and Loss Account.

Exchange difference arising on translation of foreign currency loans availed for acquisition of fixed assets is adjusted in the carrying amount of the respective fixed assets and in respect of others, such exchange difference is recognized as income or expense in the period in which they arise. In respect of transactions covered by forward contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the Profit and Loss Account over the period of the contract.

(v) Sales

Sales are inclusive of excise duty but exclude sales tax.

Domestic sales are accounted on the basis of dispatch from the factories. Export sales are accounted on the basis of the date of Bills of Lading.

(vi) Export Benefits

In respect of exports, where duty paid/indigenous material has been used in anticipation of receipt of duty free material subsequently imported under the Advance License Scheme, the excess cost of duty paid/indigenous material over the cost of duty free material is credited to Profit and Loss Account in the year of exports; and is charged to revenue when such duty free material is consumed.

In respect of exports made under Duty Entitlement Pass Book Scheme, the eligible benefits at notified rates are credited to the Profit & Loss Account in the year of export; and charged to revenue when these benefits are utilized for imports or are sold.

*(vii) Retirement Benefits**(a) Short Term Employee Benefits*

Short Term Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders related service.

- (b) Post Employment benefits (defined benefit plans)
The employee's gratuity scheme is a defined post employment benefit plan. The plan is managed by Trust and the Liability for gratuity is funded with an approved gratuity fund. The company makes annual contribution to the trust and the present value of the obligation under such defined plan is determined at each balance sheet date based on actuarial valuation using projected unit credit method. Actuarial gains and losses are recognized in the Profit & Loss Account.
- (c) Defined Contribution Plan
The company makes contributions to the provident fund, a defined contribution plan in which both the employees and the company make monthly contributions as specified percentage of the salary (at present 12% of basic salary). The contributions are paid to the statutory authorities and the company recognizes such contribution as expense of the year in which the liability is incurred.
- (d) Other Long Term Employee benefits / Termination benefits
The company do not have any long term employee benefits as well as termination benefit other than as disclosed above.

(ix) *Taxation*

Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax Asset is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). The management is of the opinion that sufficient future taxable income will be available against which, such deferred tax assets will be realized.

4. Borrowings & Securities

- (i) Other Loans include Vehicle / Machinery Loans, which are secured by exclusive hypothecation of such Asset. Machinery Loan is additionally secured by personal guarantee of one of the Directors.
- (ii) In terms of Scheme of Demerger, Mahindra Forgings Ltd. (MFL) (Formerly Mahindra Automotive Steels Ltd.) has agreed to Guarantee to discharge Debt of Rs. 834.50 lacs of the remaining business as of the appointed date i.e. 1st April, 2005 and also agreed to guarantee payment of Interest on the above said debts from the appointed date. Pursuant to this, MFL has discharged a debt of Rs. 722.67 lacs till the end of the current financial year.
5. Income-tax assessments have been completed upto Assessment Year 2006-07. The demand of Rs. 101.03 have been raised for A.Y. 2005 - 06. The Company has disputed this demand and filed an appeal with CIT (Appeals). In the opinion of the Management, company does not envisage any further liability, in the above matter.

(Rs. in Lacs)

6. Contingent Liabilities not provided for

As at 31st March, 2009

(i) Bank Guarantees outstanding in favour of the Government and other parties	9.44
(ii) Towards Excise Duty demands against which the Company has preferred appeal	485.57
(iii) Towards Custom Duty demands against which the Company has preferred appeal	120.68
(iv) Claims against the Company not acknowledged as debts	143.26
(iv) Others (Income Tax)	101.03

7. Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. Nil.
8. Advances recoverable in cash or in kind include Rs. 151.66 lacs towards expenses incurred/payments to a consultants' firm for performance improvement program at one of the Company's plants. Since in view of management, the consultants have not achieved and delivered the mutually agreed upon projected results, the Company has filed a suit for recovery of the amounts paid/expenses incurred along with compensation for damages. The Company has also deposited Rs. 73.12 lacs with the Hon'ble Bombay High Court. The matter is subjudice. Requisite adjustments will be made on attaining finality.
9. The Company made an application for closure of its Chinchwad Plant with the Labour Commissioner, Maharashtra. However, when the Company sought to withdraw the said application, the Labour Commissioner refused to allow the withdrawal and, instead, passed an order rejecting the application for closure. Now, the Company has preferred petition in the Hon'ble Bombay High Court against the said refusal of the Labour Commissioner to withdraw the application.
10. Subsequent to rejection of closure application, Company has declared a Lock-out with effect from 28th May, 2009 under subsection 2 of section 24 of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971.
11. In terms of Accounting Standard - 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India, The Company has operated in only one segment i.e. Forgings.

12. Other Extra Ordinary Gains / (Loss) have arisen on disposal of certain assets / investments of the Company.
13. Related Party Disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India, are given below :

A. Relationships :

- | | |
|---------------------------------|--|
| a) Associates / Group Companies | i. Nainesh Investment & Trading Co. Pvt. Ltd.
ii. Viniyog Investment & Trading Co. Pvt. Ltd.
iii. Devidass Private Ltd.
iv. Makar Estates |
| b) Key Management Personnel | (i) Mr. Yogiraj Makar
(ii) Mr. Puneet Makar
(iii) Mr. Fali P. Mama
(iv) Mrs. Reshma Makar (upto 29th May, 2008) |

B. The following transactions were carried out with the related parties:

	Current Year (Rs. In Lacs)
(i) Payment of Remuneration / Fees	49.27
(ii) Payment of Interest	6.40
(iii) Payment of Rent	40.20
(iv) Inter Corporate Deposit Borrowed	157.00
(v) Inter Corporate Deposit Redeemed	103.00

14. Calculation of Basic & Diluted Earning Per Share as per Accounting Standard - 20 (Earning Per Share) issued by the Institute of Chartered Accountants of India:

	As at 31.03.2009
Net Profit (Loss) (Rs. in Lacs)	(568.60)
Weighted Average number of Equity Shares outstanding during the year	1,48,20,206
Nominal Value per Share (Rs.)	2
Basic & Diluted Earning per Share + / (-) (Rs.)	(3.84)

15. In the absence of information from suppliers as to their status, the Company does not possess a list of small scale suppliers covered under MSMED, Act, 2006. It is therefore not possible to determine the amount due and interest (if any) thereon as required by "The Interest on Delayed Payments to Micro, Small and Medium Enterprises Development Act, 2006".
16. The outstanding balances as at 31st march 2009 in respect of Sundry debtors, Creditors, Loans and Advances and Deposits are subject to confirmation from the respective parties and consequential reconciliation / adjustments arising there from if any. The Management, however , does not expect any material variation.
17. As this is being first accounting period of Consolidation, the figures for the previous year have not been given.

SIGNATURES TO SCHEDULES 1 TO 21

As per our Report of even date

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Proprietor

Membership No. - 12288

Mumbai, 31st August, 2009.

On Behalf of the Board of Directors

Puneet Makar – Chairman & Managing Director

Yogiraj Makar – Director

Fali P. Mama – Director

Sunil Aggarwal – Director

B. L. Gupta – Director

Rakesh Khanna – Director

Mumbai, 31st August, 2009.

AMFORGE AMFORGE INDUSTRIES LIMITED

Regd. / Corporate Office : 108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

To be handed over at the entrance of the venue.

D.P. Id

Folio No.

Client Id

Name and Address of the Shareholder:

No. of Share(s) held:

I hereby record my presence at the **37th ANNUAL GENERAL MEETING** of the Company at Maharashtra Chamber of Commerce, Industry and Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001 on Wednesday, the 30th September, 2009 at 2.30 p.m.

Signature of the Shareholder or Proxy
(To be signed at the time of handling over this slip)

(CUT ALONG)

AMFORGE AMFORGE INDUSTRIES LIMITED

PROXY FORM

Regd. / Corporate Office : 108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai - 400 021.

D.P. Id

Folio No.

Client Id

I/We of
..... being a member/members of Amforge Industries Limited
hereby appoint of
..... or failing him
of
or failing him of
..... as my/our proxy to attend and vote for me/us
on my/our behalf at the 37th Annual General Meeting to be held on Wednesday, the 30th September, 2009
at 2.30 p.m. or any adjournment thereof.

Please affix
Re. 1.00
Revenue
Stamp here

Signed this day of 2009.

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

BOOK - POST

To,

If undelivered, please return to :
Amforge Industries Limited
108-111, Raheja Chambers,
Free Press Journal Marg,
Nariman Point, Mumbai - 400 021.