

NOTICE

NOTICE is hereby given that the 36TH ANNUAL GENERAL MEETING of **Amforge Industries Limited** will be held on Monday, the 29th September, 2008 at 12.00 Noon at Maharashtra Chamber of Commerce, Industry & Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001 to transact the following items of business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and Profit & Loss Account of the Company for the year ended on that date, together with the reports of the Directors and the Auditors.
2. To appoint a Director in place of Shri. B. L. Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Sunil K Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Registered / Corporate Office:

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

Puneet Makar

Chairman

Place : Mumbai,

Dated : 25th July, 2008.

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) The Register of Members and the share transfer books of the Company will remain closed from Tuesday, 23rd September, 2008 to Monday, the 29th September, 2008 (both days inclusive).
- c) 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.

- d) 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 (East), Mumbai - 400 072. Telephone: 022 -28515644, 28515606. Fax: 022 - 28512885. Email - sharexindia@vsnl.com, Web: sharexindia.com.
- e) The Company in accordance with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, has transferred all dividends declared up to the dividend for the year 1993-94 to General Revenue Account of Government. Concerned shareholders can receive the unclaimed dividend from the Registrar of Companies, Maharashtra, at Hakoba Compound, 2nd Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli (East), Mumbai - 400 033, upon preferring an application in the form prescribed under the said rules. From F.Y. 1994-95 to 1996-97 unclaimed declared dividends have been transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government after seven years.
- f) No dividend has been declared by the Company since 1997.
- g) 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.
- h) Members of erstwhile Tru Wheels Limited who have not yet surrendered their old certificate for exchange with the certificate of Amforge, consequent to amalgamation are requested to correspond with the Company's Registrars and Transfer Agents.
- i) In consideration of demerger of Chakan plant into Mahindra Automotive Steels Pvt. Ltd., (now known as Mahindra Forgings Limited) the shareholders of the Company, as on 24.04.2006, were issued 1 No. 4% Non-cumulative Redeemable, Non-convertible Preference Share of Rs.31/- each (since redeemed) and 1 Number Equity Share of Rs.10/- each against every equity share of the Company. Any shareholders who were holding equity shares of the Company on 24.04.2006 may correspondence, in relation of the preference and equity shares issued by Mahindra Forgings Limited, to their RTA - Karvy Computershare Pvt. Ltd., Avenue-4, Street No.1, Banjara Hills, Hyderabad - 500 034. Telephone No. 040-23312454.
- j) Consequent on reduction in capital of the Company, the Company has allotted and dispatched / credited Equity Share of Rs.2/- each fully paid against each Equity Share of Rs.10/- each to the shareholders as of 24.04.2006. For any enquiry about the non-receipt of the said equity shares, may correspond with our Registrar and Transfer Agents, as mentioned in para (e) above.
- k) The old equity share certificates of Rs.10/- each fully paid-up are no more tradable and have no commercial value.

- l) The new ISIN of the Company's present Equity Shares of Rs.2/- each is INE991A01020.
- m) The deliveries of shares of the Company are compulsorily in dematerialized form.

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 : 25th July, 2008.

Puneet Makar
Chairman

DETAILS OF DIRECTOR BEING APPOINTED AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 (VI) A OF THE LISTING AGREEMENT).

Name of Director	Shri. Bhushan Lal Gupta	Shri. Sunil K. Aggarwal
Age	70 years	48 years
Qualification	M.Com., D.S.W., CAIIB	B.B.A. (USA)
Date of Appointment	24.03.2005	24.03.2005
Expertise	Financial Appraiser Real estate development.	Administration, Finance,
Other Directorships	MTZ Polyfilms Ltd. MTZ Industries Ltd. Uniflex Cables Ltd.	-
Chairman / Member of the Committees	Chairman - Audit, SIGC & Remuneration Committees Amforge Industries Ltd. MTZ Polyfilms Ltd. & MTZ Industries Ltd. Uniflex Cable Ltd. Chairman - Audit Committees Member - Remuneration / SIGC Committees	Member- Audit Committee & SIGC of Amforge Industries Ltd.

DIRECTORS' REPORT

TO THE MEMBERS
AMFORGE INDUSTRIES LTD.

Your Directors hereby present the 36th Annual Report and audited statement of accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

	<i>(Rs. in Lacs)</i>	
	2007-2008	2006-2007
Gross Revenue after stock adjustments	5350.87	5979.46
Gross Profit before Interest, Depreciation, Amortization & Tax	63.57	390.08
Interest	(51.96)	(39.62)
Operating Profit (Loss) before Depreciation & Amortization	11.60	350.46
Depreciation	(93.85)	(99.08)
Amortization	-	(58.70)
Operating Profit/(Loss) for the year	(82.25)	192.67
Employees Separation Cost written off	-	(691.07)
Old and Obsolete Dies written off	-	(199.01)
Other Extra Ordinary Gains (Net)	(39.32)	(322.38)
Profit/(Loss) for the year	(121.57)	(1019.78)
Prior Period's adjustments (Net)	(14.99)	(4.92)
Net Profit/(Loss)	(136.56)	(1024.70)
Provision for Current Tax(Wealth Tax)	(0.60)	(0.70)
Provision for Fringe Benefit Tax	(21.85)	(19.15)
Provision for Deferred Tax	(64.35)	10.55
Profit/(Loss) after Tax	(223.36)	(1034.00)
Earlier years (Short) / excess provision for tax	-	(33.85)
Balance Profit/(Loss) brought forward from previous year	(2391.80)	(1283.35)
Provision for Doubtful Debts & Advances	-	40.60
Balance carried to Balance Sheet	(2615.16)	(2391.80)
EPS (Rs.)	(1.51)	(7.48)

FINANCIALS

During the year under review, your Company's gross revenue is Rs.5350.87 lacs [Previous Year: Rs.5979.46 lacs]. Gross Profit / (Loss) before interest, depreciation and tax amounted to Rs.63.57 lacs [Previous Year (Rs.390.08 lacs)]. Operating Cash Profit / (Loss) before depreciation and amortization is Rs.11.60 lacs [Previous Year (Rs.350.46 lacs)]. The Net Loss came to Rs. 136.56 lacs [Previous Year Rs. 1024.70 lacs]. The major contributories to Net Loss in the financial year under review were due to major increase in raw material prices and the ever increasing oil prices.

DIVIDEND

In view of the losses, current and accumulated, your Directors regret their inability to recommend dividend for the year 2007-2008.

DIRECTORS

Shri. Bhushan Lal Gupta, who retires by rotation and being eligible, offers himself for re-appointment, subject to retirement by rotation.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. appropriate accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2008 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

M/s. Bansal & Associates, Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

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 given in the Annexure-1 forming part of this Report.

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, are elucidated in Annexure-2 to this Report.

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-3.

PARTICULARS OF EMPLOYEES

None of the employees of the company is covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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 : 25th July, 2008.

Puneet Maker
Chairman

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:

Savings in Energy Consumption by improving and maintaining power factor to optimum level.

Rationalization of compressed air flow system.

Installation of variable Feed Drive for compressor motors.

Modification of forging furnaces for optimization of furnace utilization.

Using bio-friendly cleaning / recyclable agents / chemicals.

Use of fuel additives in LDO to obtain complete combustion thereby improving the finance efficiency.

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

Improvement actions being taken to reduce the number of billets and strict adherence to control on quality of forgings parts being manufactured to minimize reworking.

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:

Every month used per ton of production reduced.

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 31.03.2008.

	2007-08	2006-07
1 <i>Power & Fuel Consumption</i>		
Electricity - Purchased (KWH in lacs)	62	58
Total Amount (Rs. in lacs)	341.87	323.26
Average rate per unit	5.51	5.61
2 <i>Furnace Oil</i>		
Quantity (Kilo litres)	558	492
Total Amount (Rs. in lacs)	127.75	87.82
Average rate per litre	22.89	17.85
3 <i>Light Diesel Oil</i>		
Quantity (Kilo litre)	565	611
Total Amount (Rs. in lacs)	163.80	174.51
Average rate per litre	28.99	28.56
4 <i>Consumption per unit of Production</i>		
Production (Tons)	5226	5308

b. Consumption per unit of Production

Production (Tons)		5,308	4,525
<i>Fuel Used</i>	<i>Units</i>		
Electricity	Kwh / Ton	1186	1085
Furnace Oil	Lit / Ton	107	93
Light Diesel Oil	Lit / Ton	108	115

B. TECHNOLOGY ABSORPTION
i. Research & Development:

Improved CAD-CAM of the existing Unigraphic Software.

Modification of induction heater coils to reduce the Air gap to achieve reduction in scale loss and energy consumption.

Investigate the benefits of cavity of dies.

Standardization of dies and tools.

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

Reduction in lead time in development of new and complex products by increasing yield and die life.

Promoting a team work culture.

iii. Future plans of action:

Panning to add new- 2 Ton Hammer.

Addition of one CNS Vertical Machining Centre.

Better product mix to optimize output and minimize production cost.

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

iv. Foreign Exchange Earnings and Outgo:

	(Rs. in Lacs)	
	2007-08	2006-07
FOB Value of Exports	285.82	259.42
Foreign Currency Outgo	28.61	75.87

Place : Mumbai,
Dated : 25th July, 2008.

For and on behalf of the Board of Directors
Puneet Maker
Chairman

ANNEXURE - 2 TO THE DIRECTORS' REPORT**MANAGEMENT DISCUSSION AND ANALYSES****Macro and Micro Economics of 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 the requirement of automotive, power and oil sectors.

The Forging Industry produces mainly for 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 and Credibility

The Company's Chinchwad Unit is having a comprehensive Forge Shop with Presses and Hammers together with all balancing equipment. This Unit, with its optimum resource pool of technically qualified manpower, 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 and the unit has recently also received TS 14001.

India has the largest resource of technically qualified manpower in the world. With current GDP forecast in excess of 8%, there should be a commensurate growth in the forging sector which is an ancillary to the Auto industries.

India is fast emerging as a preferred source of auto components, especially forgings and castings.

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.

Material Developments in Human Resources / Industrial Relations Front

Human Resources are the most valuable assets of a Company. Our Company provides challenges, encourages initiative and recognizes and rewards excellence in performance. The Company reviews and evolves policies / processes to attract the best technical and managerial talent.

Market Outlook

The year 2007-2008 tested and brought out the best from your Company's human resources with the Chinchwad plant recording its in-house production tonnage of 5350.

The unprecedented steep increases in steel, oil prices since December, 2007, and a rise in labour cost, has significantly affected the industry, with customers reluctant to even compensate for material increases, let alone operational costs. Consequently, the forging industry of late has been passing

through difficult times with not only margins touching rock bottom but also cash flow being severely affected due to delayed and partial computation of material cost increases whereas the steel mills demand immediate payment against supplies.

After growing at a compound annual rate of 22%, the overall Indian Auto Industry witnessed substantial deceleration, in particular, the commercial vehicle sector, due to high interest rates and reduced credit availability. For any auto component manufacturers and specially the forging industry, the total economic environment was completely unmanageable. However, your company is doing its best to withstand these pressures, by diversifying its customer base and implementing a continuous cost reduction programme.

The current year looks just as difficult, if not more so, with steel and oil prices continuing their upward spiral. However, with stricter implementation of overload restrictions and regulations, improved road infrastructure, one expects future demand of commercial vehicles should improve, translating into corresponding growth in the Company's forging business.

Research & Development

Top priority is given for yield improvement and Die Life improvement. Yearly plan has been made and the same is being monitored at regular intervals. Die welding technique has been developed and is extensively used to reduce the die steel consumption. Improved die lubrication for better die life also under trial.

Implementation of software for Finite Element Analysis, Simulation, Defect prediction and analysis, Grain flow analysis, Optimization of yield, analysis of stress concentration in die, etc., will further improve the operational.

Product Development:

For new development parts, Print to PPAP cycle time has been substantially reduced. First Time Right samples development have been achieved in 75% cases.

Internal control systems 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.5350.87 Lacs. Except some minor debt, the Company has almost become debt free. Surplus funds shall be utilized to modernize the Chinchwad operations and also in marketable and high yielding investments. Forging demand is increasing and the Company is constantly striving to operate at better margin levels and lower credit period.

Human Resources:

The Company maintains its people as the greatest source of strength. It maintains happy and cordial relations with its workers, union and officers. Amforge needs skilled labour to develop and produce technically advanced products. One of the biggest challenges is hiring and retention of skilled manpower. Amforge recognizes this and continuously upgrades the skills of its human resource base.

ANNEXURE - 3 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 2007-08, 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 with Non-Executive Chairman, managed the Company with no Executive Director on 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

Sr. No.	Category	Name of Director	Remarks
1	Promoter & Non- Executive Chairman	Shri Puneet Makar	-
2	Promoter & Non-Executive Director	Shri Yogiraj Makar	-
3	Promoter & Non-Executive Directress	Smt. Reshma Makar	Resigned w.e.f. 29-5-2008
4	Non-Independent & Non-Exe. Director	Shri. Fali P. Mama	-
5	Independent & Non-Executive Director	Shri. Sunil Aggarwal	-
6	Independent & Non-Executive Director	Shri. B. L. Gupta	-
7	Independent & Non-Executive Director	Shri. Vijay S. Choksi	-
8	Nominee Director (IIBI)	Shri. K. Chakraborty	Nomination withdrawn by IIBI w.e.f. 15.06.2007

The attendance of the Directors at the Meetings of Board of Directors held during the Financial Year 2007-2008 and the last Annual General Meeting (AGM) held on 27th September, 2007 is as follows :

Sr. No.	Date of Board of Directors Meeting	No. of Directors Present
1	11-05-2007	6
2	29-06-2007	6
3	31-07-.2007	6
4	31-10-2007	6
5	25-01-2008	6
6	27-09-2007 (AGM)	4

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	5	Present
Shri Yogiraj Makar	5	Present
Shri. Fali P. Mama	5	Present
Shri. B. L. Gupta	5	Present
Shri. Sunil K. Aggarwal	5	Present
Smt. Reshma Makar	5	Present
Shri. Vijay Choksi	-	-
Shri. K. Chakraborty	-	-

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

Name of Director	No. of BoDs of other Companies	No. of Membership of Board Committees	No. of Chairmanship of BoDs/Committees
Shri Yogiraj Makar	1	-	-
Shri Puneet Makar	4	-	-
Shri. Fali P. Mama	4	2	-
Shri. B. L. Gupta	3	3	3
Shri. Vijay S. Choksi	3	-	-
Shri. Sunil K. Aggarwal	-	-	-
Smt. Reshma Makar	1	-	-
Shri. K. Chakraborty	1	-	-

None of the Directors holds any Equity Shares in the Company except Shri. Puneet Makar (Promoter-Non-Executive) holding 1830802 Equity Shares, Shri. Yogiraj Makar (Promoter-Non-Executive) including HUF holding 420306 Equity Shares, Smt. Reshma Makar (Promoter-Non-Executive) holding 51096 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 :

1. Shri. Bhushan Lal Gupta
2. Shri. Sunil K. Aggarwal and
3. Shri. Fali P. Mama

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 2007-2008 is as under:

NAME OF THE DIRECTOR	DATE OF THE MEETINGS			
	29-06-2007	31-07-2007	31-10-2007	25-01-2008
Shri. Bhushan Lal Gupta	Present	Present	Present	Present
Shri. Fali P. Mama	Present	Present	Present	Present
Shri. Sunil K. Aggarwal	Present	Present	Present	Present

III. Remuneration Committee

The Remuneration Committee was as under:

1. Shri. B. L. Gupta - Chairman
2. Shri. Fali P. Mama and
3. Shri. Yogiraj Makar

Details of the sitting and other fees paid to the Non-Executive Directors for the Financial Year 2007-2008:

Name of the Director	Total Sitting fees paid for attending Board / Committee Meetings (Rs.)	Professional Fees (Rs.)
Shri. Puneet Makar	-	6,00,000.00
Shri. Yogiraj Makar	-	13,48,320.00
Shri Fali Mama	-	6,00,000.00
Smt. Reshma Makar	7,500.00	-
Shri. B.L Gupta	19,500.00	-
Shri. Sunil Aggarwal	19,500.00	-
Shri. Vijay Choksi	-	-
Shri. K. Chakraborty	-	-

No Remuneration Committee meeting was held, as there was no item of business required to be transactions during the financial year.

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.

IV. Shareholders / Investors Grievance Committee (SIGC)

The SIG Committee was as under :

1. Shri. B. L. Gupta - Chairman
2. Shri. Sunil K. Aggarwal
3. Shri. Puneet Makar

The Compliance Officer was Shri. Puneet Makar.

The terms of reference are redressing of shareholders and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. to improve the efficiency in investor's service the Executive Share Transfer Committee has been formed. The submissions of the Executive Share Transfer Committee are taken into account by the Shareholders / Investors' Grievance Committee when it meets from time to time.

The Complaints received and redressed during the period from 1-4-2007 to 31-03-2008 are tabled below :

Nature of Complaint	Complaints Received from 01-04-2007 to 31-03-2008						Total	Redressed	Not Redressed	Reason(s) for non redressal
	SEBI	Stock Exchange	ROC	Dept. of Company Affairs	Consumer Forum	Investors				
Non receipt of Shares / Deb sent for transfer	-	-	-	-	-	1	1	1	-	-
Non receipt of Dividend	-	-	-	-	-	1	1	1	--	-
General	-	-	-	-	-	6	6	6	-	-
Name Deletion/correction	-	-	-	-	-	-	-	-	-	-
Nomination Form	-	-	-	-	-	-	-	-	-	-
Redemption of Debenture	-	-	-	-	-	-	-	-	-	-
Purchase Contract	-	-	-	-	-	-	-	-	-	-
Non Receipt of Debenture interest	-	-	-	-	-	-	-	-	-	-
Non-receipt of ZFCD Shares or against Tru Wheels Share Certificates	-	-	-	-	-	-	-	-	-	-
Loss of Shares/ Deb.	-	-	-	-	-	2	2	2	--	--
Conversion of Warrants	-	-	-	-	-	-	-	-	-	-
Transfer of Shares / Deb.	-	-	-	-	-	-	-	-	-	-
Transmission of Shares / Debentures	-	-	-	-	-	2	2	2	--	--
Non receipt of s/c against Allotment Letter	-	-	-	-	-	-	-	-	-	-
Non receipt of Letter of offer for rights	-	-	-	-	-	-	-	-	-	-
Signature Mismatch	-	-	-	-	-	-	-	-	-	-
Non-receipt s/c after consolidation	-	-	-	-	-	-	-	-	-	-
Non-receipt of s/c after conversion	-	-	-	-	-	34	34	34	--	--
Non receipt of transmitted s/c	-	-	-	-	-	-	-	-	-	-
Stop Transfer	-	-	-	-	-	-	-	-	-	-
Non receipt of dup. cert. against duly executed Indemnity Bond	-	-	-	-	-	-	-	-	-	-
Non-receipt of New S/C.	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	46	46	46	-	-

V. Related Party Transactions
(Rs.Lacs)

Name of the Parties / Person	Opening Balance 01.04.2007	ICD Transactions		Closing Balance 31.03.2008	Max. Amt. outstanding during the year	Other Transactions			
		Recd.	Repaid			Payment of Interest	Payment of Rent	Payment of Salary/Fees	Payment of Equity at Premium
Nainesh Inv & Tradg. Co. Pvt. Ltd.	8.00	8.00	16.00	-	8.00	0.56	-	-	-
Viniyog Inv. & Tradg. Co. Pvt. Ltd.	-	2.00	2.00	-	0.20	0.08	-	-	-
Viniyog (Investment Consultancy Fees)	-	-	-	-	-	-	-	22.95	-
Makar Estate	-	-	-	-	-	-	1.20	-	-
Sub Total	8.00	10.00	18.00	-	10.00	0.64	1.20	22.95	-
Key Management Personnel									
Yogiraj Makar	-	-	-	-	-	-	24.00	13.48	-
Puneet Makar	-	-	-	-	-	-	9.00	6.00	-
Reshma Makar	-	-	-	-	-	-	9.00	-	-
Fali Mama	-	-	-	-	-	-	-	6.00	-
Sub Total	-	-	-	-	-	-	42.00	25.48	-
Total	8.00	10.00	18.00	-	10.00	0.64	43.20	48.43	-

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

Sr. NO.	DATE	DAY & TIME	VENUE	REMARKS
1.	30-09-2005	Friday 12.00 Noon	Maharashtra Chamber of Commerce & Industry, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400 001.	33rd AGM.
2.	08-02-2006	Wednesday 12.00 Noon	Maharashtra Chamber of Commerce & Industry, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400 001.	Court Convened Meeting of Equity Shareholders/ Debentureholders Special Resolution was passed.
3.	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
4.	27-09-2007	Thursday 2.30 p.m	Maharashtra Chamber of Commerce & Industry, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400 001.	35th 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.

The Company has been up-loading its quarterly financial results and shareholding pattern 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. Similarly, the entire Annual Reports of the Company have been uploaded. Moreover, the events required to be intimated to the Stock Exchange, 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.

The "Management Discussions & Analyses" is part of this Report and is appearing separately as Annexure 1.

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
i. 36th Annual General Meeting -

Day : Monday
Date : 29th September, 2008
Time : 12.00 noon
Venue : Maharashtra Chamber of Commerce, Industry & Agriculture, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, Fort, Mumbai - 400001.

ii. Financial Calendar

- Results for 1st quarter ended 30th June, 2008 : On or before 31st July, 2008
- Results for 2nd quarter ended 30th September, 2008 : On or before 31st October, 2008
- Results for 3rd quarter ended 31st December, 2008 : On or before 31st January, 2009
- Results for the Financial Year ended 31st March, 2009 (Unaudited) (OR) : On or before 30th April, 2009.
- Audited Results for the Financial Year ended 31st March, 2009 : On or before 30th June, 2009

iii. Date of Book Closure	:	From 23-09-2008 to 29-9-2008 (including both dates)
iv. Dividend Payment Date	:	Not applicable
v. Listing on Stock Exchanges	:	Bombay Stock Exchange Limited. Annual Listing fees for the year 2008-09 has been paid.
Stock Code	:	513117
Demat ISIN Number in NSDL / CDSL	:	INE991A01020

vi. Market Price Data during 2007-2008:

MONTH	SHARE PRICE		BSE SENSEX
	High	Low	
April - 2007	14.99	13.00	13872.37
May - 2007	14.40	11.75	14544.46
June - 2007	14.22	11.55	14650.51
July - 2007	13.50	11.50	15550.99
August - 2007	14.41	11.00	15318.60
September - 2007	15.30	12.00	17291.10
October - 2007	14.50	11.35	19837.99
November - 2007	14.65	10.61	19363.19
December - 2007	26.94	12.00	20286.99
January - 2008	29.65	12.65	17648.71
February - 2008	14.66	11.36	17578.72
March - 2008	12.00	8.01	15644.44

vii. 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. Tel: 022-28515606, 28515644, Fax: 022-28512885. E-mail: sharexindia@vsnl.com, Web: www.sharexindia.com.

viii. 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 and 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.

ix. Distribution of Shareholding as of 31st March, 2008

Distribution of Shares	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares held	Percentage to Total Shares
Up to 100	15621	75.77	539518	3.64
101 to 200	1796	8.71	300574	2.03
201 to 500	1673	8.12	626561	4.23
501 to 1000	735	3.57	649441	4.38
1001 to 5000	612	2.97	1487061	10.03
5001 to 10000	79	0.38	580369	3.92
10001 to 100000	89	0.43	2437381	16.45
100001 & above	11	0.05	8199301	55.33
Total	20616	100.00	14820206	100.00

x. Shareholding Pattern as of 31st March, 2008

Category of Shareholders	No. of Shares Held	Percentage of Holding
Indian Promoters	2251108	15.189
Directors & Relatives	5555361	37.485
Financial Institutions & Banks	27945	0.189
Mutual Funds & UTI	29804	0.201
FII's	100000	0.675
NRIs / OCBS	240693	1.624
Domestic Companies	1328739	8.966
Public	5260408	35.495
Clearing Members	26148	0.176
Total	14820206	100.000

xi. Dematerialization of Shares and Liquidity as of 31st March, 2008

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	601977		14218229		14820206
%age to Total	4.062		95.938		100
	Promoters	Public	Promoters	Public	
Number	83667	518310	7722802	6495427	14820206
% to form	13.90	86.10	54.32	45.68	-
% form to Total	0.56	3.50	52.11	43.83	100

xii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on equity.

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

xiii. 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.

xiv. 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

Company's registered office has been shifted to the above address with effect from 1st April, 2008.

Place : Mumbai,
Dated : 25th July, 2008.

For and On Behalf of the Board of Directors
Puneet Maker
Chairman

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

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

I have examined the compliance of conditions of Corporate Governance by M/s. Amforge Industries Limited ("the Company"), for the year ended on 31st March, 2008, 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 (s).

I state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders / Investors' Grievances Committee.

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.

Place: Mumbai,
Dated : 25th July, 2008.

Vikram P. Gandhi
Practising Company Secretary
CP No.651

CERTIFICATE

Pursuant to the provisions of the Clause 49 of the Listing Agreement with the Bombay Exchange Limited, it is hereby certified that -

I have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, these statements;

- i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.

I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take, to rectify these deficiencies.

I have indicated to the Auditors and the Audit Committee:

- significant changes in the internal control over financial reporting during the year.
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud, if any, of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Mumbai,

Dated : 25th July, 2008.

Chief Financial Officer

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, 2008 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, 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, 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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, 2008;
- (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

Place : Mumbai,
Date : 27th June, 2008.

S. K. Bansal
Proprietor

Membership No. - 12288

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed asset:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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. According to the information and explanations given to us, no material discrepancies were noticed on such verification however the same have been adjusted in the books of account.
- (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 except for inventories lying with outside parties, which have, however, been confirmed by them.
- (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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification however the same have been properly dealt with in the books of account.
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 not granted any loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken inter corporate deposits in the nature of unsecured loans aggregating to Rs.10 Lacs from two companies 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, 2008 for a period of more than six months from the date of becoming payable.

- (b) The disputed statutory dues aggregating to Rs. 574.86 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	353.16
2.	Customs Act	Customs Duty	CESTAT, Mumbai	120.68
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	101.02
			TOTAL	574.86

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. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported by the Company during the year.

For **Bansal & Associates**
Chartered Accountants

Place : Mumbai,
Date : 27th June, 2008.

S. K. Bansal
Proprietor

Membership No. - 12288

BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE	(Rs. In Lacs)		
	As at 31st March, 2008	As at 31st March, 2007	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	296.40	296.40
Reserves & Surplus	2	3,535.72	3,759.08
		<u>3,832.12</u>	<u>4,055.48</u>
Loan Funds			
Secured Loans	3	136.16	102.49
Unsecured Loans	4	821.04	848.35
		<u>957.20</u>	<u>950.84</u>
		<u>4,789.32</u>	<u>5,006.32</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,692.62	2,602.27
Less : Depreciation		1,368.30	1,297.42
Net Block		1,324.32	1,304.84
Add : Capital Work in Progress		27.44	17.54
		<u>1,351.75</u>	<u>1,322.38</u>
Investments			
	7	463.99	469.80
Current Assets, Loans & Advances			
Current Assets	8	2,079.71	2,531.05
Loans and Advances	9	2,106.51	1,673.66
		<u>4,186.22</u>	<u>4,204.71</u>
Less : Current Liabilities & Provisions	5	1,537.22	1,379.48
Net Current Assets		2,649.00	2,825.22
Deferred Tax Assets (Net) (Refer Note No.17)		324.57	388.92
TOTAL FUNDS UTILISED		<u>4,789.32</u>	<u>5,006.32</u>
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, 27th June, 2008.		On Behalf of the Board of Directors Yogiraj Makar - Director Fali P. Mama - Director Sunil Aggarwal - Director B. L. Gupta - Director Mumbai, 27th June, 2008.	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE	(Rs. In Lacs)		
	For the year ended 31st March, 2008	For the year ended 31st March, 2007	
INCOME			
Operational Income	11	5,078.83	5,642.26
Accretion/(Decretion) to Stocks	12	27.17	(33.10)
Other Income	13	244.87	370.30
		<u>5,350.88</u>	<u>5,979.46</u>
EXPENDITURE			
Raw Material and Components Consumed	14	3,110.86	3,240.84
Payments to and Provisions for Employees	15	510.39	515.56
Manufacturing Expenses	16	1,279.86	1,443.47
Administrative, Selling and Other Expenses	17	386.20	389.51
		<u>5,287.31</u>	<u>5,589.38</u>
PROFIT BEFORE INTEREST AND DEPRECIATION		63.57	390.08
Interest	18	51.96	39.62
PROFIT BEFORE DEPRECIATION AND AMORTISATION		11.61	350.46
Depreciation	6	93.85	99.08
Amortisation	19	-	58.70
NET PROFIT/(LOSS)		(82.25)	192.67
Less: Voluntary Retirement Scheme Expenses Written Off		-	691.06
Old & Obsolete Dies Written Off		-	199.01
Add : Other Extra Ordinary Gains / (Loss) (Net)		(39.32)	(322.38)
PROFIT / (LOSS) FOR THE YEAR		(121.57)	(1,019.78)
Prior Years' Adjustments (Net)	20	(14.99)	(4.92)
NET PROFIT / (LOSS) BEFORE TAX		(136.56)	(1,024.70)
Provision for Tax - Current Tax (Wealth Tax)		0.60	0.70
- Fringe Benefit Tax		21.85	19.15
- Deferred Tax (Refer Note No.21)		(64.35)	10.55
PROFIT/(LOSS) AFTER TAX		(223.36)	(1,034.00)
Earlier years (short)/excess provision for Tax		-	(33.85)
Profit/(Loss) brought forward from previous year		(2,391.80)	(1,283.35)
Provision for Doubtful Debts & Advances		-	40.60
BALANCE CARRIED TO BALANCE SHEET		<u>(2,615.16)</u>	<u>(2,391.80)</u>
Basic / Diluted Earning Per Share +/- (Rs.) (Refer Note No. 21)		(1.51)	(7.48)
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, 27th June, 2008.		On Behalf of the Board of Directors Yogiraj Makar - Director Fali P. Mama - Director Sunil Aggarwal - Director B. L. Gupta - Director Mumbai, 27th June, 2008.	

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

	(Rs. In Lacs)	
	As at 31st March, 2008	As at 31st March, 2007
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	2,615.16	2,391.80
	<u>1,672.41</u>	<u>1,895.77</u>
	<u>3,535.72</u>	<u>3,759.08</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

	(Rs. In Lacs)	
	As at 31st March, 2008	As at 31st March, 2007
SCHEDULE-3		
SECURED LOANS		
OTHER BORROWINGS		
Other Loans	136.16	102.49
(Due within one year Rs.47.12 lacs {Rs.22.71 lacs})		
	<u>136.16</u>	<u>102.49</u>
Note: For details of nature of security, etc., refer Note No.2 of Schedule 21		
SCHEDULE-4		
UNSECURED LOANS		
Interest Free Sales Tax Loan		
(Due within one year Rs. 2.97 lacs {Rs. 2.96 lacs})	2.97	5.93
From a Bank & A Financial Institution	111.83	111.83
{Due within one year Rs. NIL - (Rs.-Nil)}		
From Companies	706.24	730.59
	<u>821.04</u>	<u>848.35</u>
SCHEDULE-5		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	1,122.74	1,078.85
Advances from Customers	8.36	14.08
Other Liabilities	331.09	224.03
	<u>1,462.19</u>	<u>1,316.95</u>
PROVISIONS:		
Gratuity	61.46	50.05
Leave Encashment	13.57	12.48
	<u>75.03</u>	<u>62.53</u>
	<u>1,537.22</u>	<u>1,379.48</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008
SCHEDULE-6 : FIXED ASSETS

(Rs. In Lacs)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2007	During the year		Upto 31.03.2007	For the Year	Deduction/ Adjustments	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
		Additions	Deduction/ Adjustments						
Freehold Land	-	-	-	-	-	-	-	-	-
Leasehold Land	13.46	-	-	7.20	0.80	-	8.00	5.46	6.26
Buildings	607.76	0.20	-	78.38	12.06	-	90.44	517.52	529.38
Plant & Machinery and Electrical Installations*	1,435.71	76.52	-	1,076.77	43.60	-	1,120.37	391.86	358.94
Furniture Fixtures and Office Equipment	306.25	3.73	-	56.87	18.50	-	75.37	234.61	249.38
Vehicles **	239.09	69.16	59.26	78.22	18.89	22.97	74.14	174.85	160.87
Grand Total	2,602.26	149.61	59.26	1,297.42	93.85	22.97	1,368.34	1,324.32	1,304.84
Previous Year	3,798.11	148.42	1,344.27	1,985.38	99.08	787.04	1,297.42	1,304.84	1,812.73

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

2) ** Includes Rs. 172.30 Lacs (196.47) Lacs purchased on Loan against Hypothecation of Vehicles.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

(Rs. In Lacs)

 As at 31st
March, 2008

 As at 31st
March, 2007

**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
10,000	(Nil)	Shares of Re.1 each fully paid up in Indian Hotels Co. Ltd.	13.72	-
545	(Nil)	Shares of Rs.10 each fully paid up in Reliance Power Ltd.	2.45	-
1,100	(Nil)	Shares of Rs.10 each fully paid up in Reliance Energy Ltd.	19.25	-
500	(Nil)	Shares of Rs.10 each fully paid up in Reliance Industries Ltd.	12.87	-
2,000	(Nil)	Shares of Rs.2 Each fully paid up in DLF Ltd.	16.07	-
11,250	(11,250)	Shares of Rs.2/- each fully paid in EIH Ltd.	9.13	9.13
Nil	(23,500)	Shares of Rs.10/- each fully paid up in MTNL	-	44.46
5,000	(5,000)	Shares of Rs.10/- each fully paid up in Reliance Petroleum Ltd.	3.77	3.77
			77.38	57.48

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

36,630	(Nil)	Units of Rs. 10 each of Birla Midcap Fund	10.00	-
30,743	(Nil)	Units of Rs. 10 each of Birla Sunlife Equity Fund	25.00	-
6,02,279	(Nil)	Units of Rs. 10 each of Birla Sunlife Income Fund - Monthly Plan - Series II	60.01	-
48,762	(Nil)	Units of HDFC Equity Fund	25.00	-
59,442	(Nil)	Units of JM Basic Fund	20.00	-
70,597	(Nil)	Units of Reliance Banking Fund	20.00	-
95,647	(Nil)	Units of Reliance Diversified Power Sector Fund	50.00	-
2,50,367	(Nil)	Units of Reliance Natural Resources Fund	25.60	-
Nil	(10,00,000)	Units of Rs. 10 each of Reliance Equity Fund - Growth	-	100.00
Nil	(5,20,979)	Units of Rs. 10 each of JM Arbitrage Advantage Fund	-	52.12
5,00,000	(5,00,000)	Units of Rs. 10 each of Prudential ICICI FMP Series - 35	50.00	50.00
Nil	(20,00,000)	Units of Rs. 10 each of Tata Fixed Horizon Fund - Series - 9 - Scheme A	-	200.00

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

		(Rs. In Lacs)	
		As at 31st March, 2008	As at 31st March, 2007
SCHEDULE-7			
INVESTMENTS Non-Trade (Contd.)			
Debentures (Unquoted)			
Nil	(10,000)	Non Convertible Debtures of Rs. 102 each of Edelweiss Securities Pvt. Ltd.	- 10.20
50	(Nil)	Secured Redeemable Non Convertible Debentures of Rs. 1,00,000/- each of DSP Merrilync Ltd.	50.00 -
50,000	(Nil)	Non Convertible Debtures of Rs. 102/- each of Edelweiss Securities Pvt. Ltd.	51.00 -
		<u>386.61</u>	<u>412.32</u>
		<u>463.99</u>	<u>469.80</u>
1.	Aggregate of quoted investments - Cost	77.38	57.48
	- Market Value	74.17	48.63
2.	Aggregate cost of unquoted investments	386.61	412.32
Movements of Investments during the year:			
	Units	Purchase	Sale
	Purchased/Sold	Value	Value
Birla Fixed term Plan - Quarterly Series 14	500,000	51.05	51.05
HDFC Cash Mngement Fund - Savings Plus Plan	1,002,546	100.54	100.54
JM Arbitrage Advantage Fund	567,666	2.37	55.87
LIC MF - Liquid Plus Fund	1,587,427	158.74	158.74
Prudential ICICI Flexi Income Plan	475,370	50.28	50.28
Reliance Diversified Power Sector Fund	95,647	50.00	50.00
Reliance Liquid Plus Fund	2,515	25.17	25.17
SBI Arbitrage Opportunities Fund	466,470	51.33	51.33
		<u>4,697,641</u>	<u>542.98</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

		(Rs. In Lacs)	
		As at 31st March, 2008	As at 31st March, 2007
SCHEDULE-8			
CURRENT ASSETS			
INVENTORIES (as certified by a Director)			
Raw Materials & Components (Including in transit) (at cost)		259.74	226.10
Work in Progress (at estimated cost)		118.75	97.21
Finished Goods (lower of cost or net realisable value)		279.81	274.18
Stores and Spares (at cost)		63.17	63.34
Die Steel Blocks (at cost)		34.38	31.11
Dies (at cost, less amortisation/write offs)		99.93	100.73
		<u>855.77</u>	<u>792.66</u>
SUNDRY DEBTORS (Unsecured)			
Over six months			
- Considered Good		265.85	247.43
- Considered Doubtful		111.17	111.17
		<u>377.02</u>	<u>358.60</u>
Other Debts			
- Considered Good		902.34	899.48
		<u>1,279.36</u>	<u>1,258.08</u>
Less : Provision for Doubtful Debts		111.17	111.17
		<u>1,168.19</u>	<u>1,146.91</u>
CASH AND BANK BALANCES			
Cash on hand		26.66	25.40
Balance with Scheduled Banks			
- In Current Account		19.43	181.46
- In Fixed Deposit Account		-	375.00
- In Margin Money Deposit Account		9.66	9.62
		<u>55.75</u>	<u>591.48</u>
		<u>2,079.71</u>	<u>2,531.05</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

	(Rs. In Lacs)	
	As at 31st March, 2008	As at 31st March, 2007
SCHEDULE-9		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Due from Employees	9.51	12.70
Advances recoverable in cash or in kind or for value to be received	528.63	439.52
Interest Accrued on Investments	95.76	21.71
Inter Corporate Deposits	1,265.00	1,041.35
Balances with Central Excise Department	34.91	34.31
Deposits	69.07	58.66
Advance payment against taxes (Net)	103.62	65.41
	2,106.51	1,673.66

SCHEDULE-10
MISCELLANEOUS EXPENDITURE
Preliminary Expenses

Opening Balance	-	27.17
Add : Addition During the year	-	31.53
Less : Written off During the year	-	58.70
Closing Balance	-	-

Deferred Revenue Expenditure

Opening Balance	-	688.06
Add : Addition During the year	-	3.00
Less : Written off During the year	-	691.06
	-	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2008

	(Rs. In Lacs)	
	For the year ended 31st March, 2008	For the year ended 31st March, 2007
SCHEDULE-11		
OPERATIONAL INCOME		
Domestic Sales	4,318.52	4,784.06
Export Sales	289.35	265.54
Export Incentives	3.89	7.97
Job Work	-	58.52
Scrap Sales	356.86	381.05
Sales Tax Set off	110.21	145.11
	5,078.83	5,642.26

SCHEDULE-12
ACCRETION/(DECRETION) TO STOCKS

OPENING STOCK - Work in Progress	97.21	191.44
- Finished Goods	274.18	213.05
	371.39	404.49
CLOSING STOCK - Work in Progress	118.75	97.21
- Finished Goods	279.81	274.18
	398.56	371.39
ACCRETION/(DECRETION)	27.17	(33.10)

SCHEDULE-13
OTHER INCOME

Dividend Received	10.23	10.19
Interest (Gross) (T.D.S.Rs.37.17Lacs [Rs. 38.96 Lacs])	170.51	176.27
Profit on Sale of Investments - Long Term	38.54	1.16
Profit on Sale of Investments - Short Term	11.91	17.39
Miscellaneous Income	13.68	165.30
	244.87	370.30

SCHEDULE-21**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008****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 Pvt. 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 2005-06 (A.Y.2004-05). The demand of Rs.101.03 lacs have been raised. 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, 2008	As at 31st March, 2007
(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	353.15	362.78
(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	96.73
(iv) Others (Income Tax)	101.02	Nil
5. Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. Nil (Rs.4.24 lacs).		
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.		
7. Payments to and provisions for employees/Professional Fees include remuneration to Chairman and Managing / Whole Time / Non executive Director	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(i) Salary	Nil	9.00
(ii) Technical / Professional Fees	25.48	19.50
(iii) Perquisites	Nil	3.31
(iv) Contribution to Provident / Superannuation Gratuity Fund	Nil	0.72
TOTAL	25.48	32.53
8. Other Expenses includes	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(i) Donations	0.49	0.48
(ii) Directors' Sitting Fees	0.29	1.16
9. Auditors' Remuneration		
(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	0.31
TOTAL	2.91	2.91

10. Capacities and Production	Unit	Licensed Capacity	Installed Capacity (3 shifts basis)	Production			
Forging	M.T.	-	7,200	5350			
		(-)	(7,200)	(5886)			
Heat Treatment	M.T.	-	-	Nil			
		(-)	(26,400)	(4)			
(i) Installed Capacity being a technical matter, is as certified by a Director and relied upon by the Auditors.							
(ii) Heat Treatment facilities are utilized mainly for Internal processing / captive consumption.							
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.	5239	4607.87	216	274.18	327	279.81
		(6157)	(5049.26)	(487)	(213.05)	(216)	(274.18)
Heat Treatment	M.T.	Nil	Nil	-	-	-	-
		(4)	(0.34)	(-)	(-)	(-)	(-)
TOTAL			4607.87	216	274.18	327	279.81
			(5049.60)	(487)	(213.05)	(216)	(274.18)
12. Raw Materials & Components Consumed				M.T.		Rs. in Lacs	
Steel				7962		3110.86	
				(8711)		(3240.84)	
Total						3110.86	
						(3240.84)	
13. Value of Raw Material and Components Consumed				Raw Material (Steel)			
				Rs. in Lacs		%	
Indigenous				3110.86		100	
				(3240.84)		(100)	
14. Value of Imports (C.I.F.)						(Rs. in Lacs)	
Capital Goods						23.32	
						(65.61)	
15. Earnings in Foreign Exchange							
Exports (F.O.B. Value)						285.82	
						(259.42)	
16. Expenditure in Foreign Currency							
Foreign Travel						5.29	
						(10.26)	

17. Disclosures as per revised AS 15 for Defined Benefit Plan
Reconciliation of opening and closing balance of obligation Period (Rs. in Lacs) 01.04.2007 to 31.03.2008

Actuarial Value of Accumulated Benefit Obligation (ABO) (01.04.2007)	74.88
Actuarial Value of Projected Benefit Obligations (PBO) (01.04.2007)	95.95
Interest Cost from 01.04.2007 to 31.03.2008	7.68
Service Cost from 01.04.2007 to 31.03.2008	7.41
Benefits Paid from 01.04.2007 to 31.03.2008	4.25
Actuarial Gain / Loss on obligations	3.38 LOSS
PBO at the end (31.03.2008)	110.16

Expenses recognized in Profit & Loss Account
P & L A/c Statement

Interest Cost from 01.04.2007 to 31.03.2008	7.68
Service Cost from 01.04.2007 to 31.03.2008	7.41
Actual return on plan assets from 01.04.2007 to 31.03.2008	2.88
Gain / Loss recognized as on 31.03.2008	3.38 LOSS
Net Cost to be shown in P & L A/c as Expense	15.59

Amount recognized in Balance Sheet
Balance Sheet Statement :-

Present value of the Obligation at 31.03.2008	110.16
Fair value of plan assets at 31.03.2008	94.50
Un-funded Liability at 31.03.2008	15.66
Unrecognized actuarial gains / losses	NIL
Un-funded liability recognized in Balance Sheet	15.66

Principal actuarial assumptions

Date of Valuation	31.03.2008
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. 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 Liability of Rs. 64.35 lacs (Deferred Tax Asset of Rs. 10.55 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, 2008 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.	(206.15)	(199.95)
b. Unabsorbed Depreciation	48.51	359.57
c. Carried Forward Business Losses	322.08	179.67
d. Others	160.13	49.63
Net Total	324.57	388.92

19. 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.

20. Other Extra Ordinary Gains / (Loss) have arisen on disposal of certain assets / investments of the Company and include Rs. 4.17 lacs (Rs. 482.24 lacs) as bad debts written off during the year.

21. 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) Makar Estates |
| b) Key Management Personnel | (i) Mr. Yogiraj Makar
(ii) Mr. Puneet Makar
(iii) Mr. Fali P. Mama
(iv) Mrs. Reshma Makar |

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	48.30	36.03
ii Payment of Interest	0.64	0.96
iii Payment of Rent	43.20	29.70
iv Inter Corporate Deposit Borrowed	10.00	-
v Inter Corporate Deposit Redeemed	18.00	2.00

22. 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 31.03.2008	As at 31.03.2007
Net Profit (Loss) (Rs. in Lacs)	(223.36)	(1108.45)
Weighted Average number of Equity Shares outstanding during the year	14820206	14820206
Nominal Value per Share (Rs.)	2	2
Basic & Diluted Earning per Share +/- (Rs.)	(1.51)	(7.48)

23. 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".
24. Balances of Sundry Debtors and Creditors are subject to confirmation.
25. The Company has made an application to the Central Government for exempting the company from operation of Section 383A of the Companies Act, 1956.
26. Figures for the previous year have been given in the bracket and are regrouped and rearranged wherever necessary.

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, 27th June, 2008.

On Behalf of the Board of Directors
Yogiraj Makar - *Director*
Fali P. Mama - *Director*
Sunil Aggarwal - *Director*
B. L. Gupta - *Director*
Mumbai, 27th June, 2008.

**INFORMATION PURSUANT TO PART - IV OF THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile**
I. Registration Details

Registration No. State Code
Balance Sheet Date
Date Month Year

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

Public Issue Rights Issue
Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
Share Application Money Unsecured Loans
Secured Loans

Application of Funds

Net Fixed Assets Investments
Net Current Assets Deferred Tax Asset
Misc. Expenditure Accumulated Loss

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

Turnover (Gross Revenue) Total Expenditure
Profit / (Loss) before Tax Profit/(Loss) after Tax
Earning per Share in Rs. Dividend Rate (%)

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

Item Code No. (ITC Code)
Product Description

For and on behalf of the Board of Directors
Yogiraj Makar
Director

Mumbai, 27th June, 2008.

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2008

	(Rs. in Lacs)	
	For the Year ended 31st March, 2008	For the Year ended 31st March, 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(82.25)	192.67
Adjustments for :		
Depreciation	93.85	99.08
VRS Expenditure W/off	-	(691.06)
Amortisation	-	58.70
Interest on Borrowings	51.96	39.62
Interest / Dividends Received (Net)	(143.57)	(147.50)
Net Profit on Sale of Assets, Extra ordinary items etc. (Net)	(19.57)	(322.38)
Profit on sale of Investments	(30.70)	(18.55)
Earlier years Expenditure	(14.99)	(4.92)
Provision for Wealth Tax/Fringe Benefit Tax	(22.45)	(43.15)
	(85.46)	(1,030.16)
Operating Profit Before Working Capital Changes	(167.71)	(837.49)
Adjustments for :		
Trade and Other Receivables	(415.92)	(139.10)
Inventories	(63.11)	296.14
Trade and Other Payables	157.73	(484.73)
	(321.30)	(327.69)
Cash Generated from Operations	(489.01)	(1,165.17)
Direct Taxes / TDS	(38.21)	(80.05)
Interest on Borrowings	(51.96)	(39.62)
	(90.17)	(119.67)
Net Cash Generated in Operating Activities (A)	(579.18)	(1,284.84)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(159.51)	(157.65)
Purchase of Investments	(400.97)	(369.68)
Sale of Fixed Assets	20.89	1,031.98
Sale of Investments	433.12	621.42
Interest / Dividends Received (Net)	143.57	147.50
Misc. / Deferred Revenue Exp. incurred / w/off	-	(34.53)
Net Cash from Investment Activity (B)	37.10	1,239.03
CASH FLOW FROM FINANCING ACTIVITIES		
Change in Borrowings - Secured Loans	33.66	(799.51)
Change in Borrowings - Unsecured Loans	(27.31)	717.62
Cash from Financing Activity (C)	6.35	(81.89)
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(535.73)	(127.69)
Cash or Cash Equivalent as on 1st April 2007 (Opening Balance)	591.48	719.17
Cash or Cash Equivalent as on 31st March 2008 (Closing Balance)	55.75	591.48
Net Increase/(Decrease) in Cash and Cash Equivalent	(535.73)	(127.69)

For and on Behalf of the Board of Directors
Yogiraj Makar
Director

Mumbai, 27th June, 2008.

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of **Amforge Industries Limited** derived from the Audited Financial Statements for the year ended March 31, 2008 and found the same to be drawn in accordance with the requirement of Clause 32 of the listing Agreements with Stock Exchanges.

For **Bansal & Associates**
Chartered Accountants
S. K. Bansal
Proprietor

Mumbai, 27th June, 2008.

Membership No. - 12288

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 **36th 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 Monday, the 29th September, 2008 at 12.00 noon.

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

----- (CUT ALONG) -----

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 36th Annual General Meeting to be held on Monday, the 29th September, 2008 at 12.00 noon or any adjournment thereof.

Please affix
Re. 1.00
Revenue
Stamp here

Signed this day of 2008.

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.