



Amforge Industries Limited

**40TH | ANNUAL REPORT
2011-2012**



Amforge Industries Limited

Annual Report 2011 - 2012

Contents	Page No.
Notice	3
Directors' Report	9
Corporate Governance.....	12
Auditors' Report.....	27
Balance Sheet	32
Profit & Loss Account	33
Cash Flow statement	34
Schedules	35
Notes to the Accounts.....	42

Board of Directors:

- (1) Shri. Puneet Makar
- (2) Shri. Yogiraj Makar
- (3) Shri. Fali Mama
- (4) Shri. Rakesh Khanna
- (5) Shri. Sunil Aggarwal
- (6) Shri. Bhushanlal Gupta

Registered / Corporate Office:

108-111, Raheja Chambers
Free Press Journal Marg
Nariman Point, Mumbai – 400021.

Telephone: 022-66365962
Fax : 022- 66365964

Website: www.amforgeindia.com
Emails: amfcosec@mtnl.net.in /
secretarial@amforgeindustries.com

Registrar & Transfer Agents:

M/s. Sharex Dynamic (India) Pvt Ltd.
Unit-1, Luthra Industrial Premises
Safed Pool, Andheri-Kurla Road
Andheri (E), Mumbai-400072.

Telephone: 022-28515644.
Fax: 022-28512885.

Website: www.sharexindia.com
Email - sharexindia@vsnl.com

Solicitors :

Mulla & Mulla, Craigie Blunt & Caroe
Mulla House,
51, M.G. Road, Fort
Mumbai – 400023.

Auditors :

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

40th Annual General Meeting on Friday, the 28th September, 2012 at 2.30 p.m at Maharashtra Chamber of Commerce, Babasaheb Dahanukar Hall, Oricon House, 6th Floor, 12, K.Dubash Road, Fort, Mumbai-400001.

Notice

Notice is hereby given that the **40th Annual General Meeting of Amforge Industries Limited** will be held on Friday, the 28th September, 2012 at 2.30 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai – 400 001 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit & Loss Account 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. Rakesh Khanna, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Bhushanlal Gupta, who retires by rotation and, being eligible, offers himself for re-appointment
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri. Puneet Makar be and is hereby reappointed as “Managing Director” of the Company for a further period of three years, w.e.f. 2nd February, 2012.”

“RESOLVED FURTHER THAT pursuant to the approval of the Remuneration Committee accorded in their meeting held on 1st February, 2012 and subject to 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 :** ₹ 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 ₹1,00,000/- per month or ₹12,00,000 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 ₹ 4000/- 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 authorized to vary Shri. Puneet Makar's designation and also 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 of 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 authorized to do all such acts, deeds and things as may be required 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

Puneet Makar
Chairman & Managing Director

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

Place: Mumbai
Date: 13-08-2012

NOTES:

- a) An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to item 5 and relevant details in respect of item 2 and 3 pursuant to clause 49 of the listing agreement are annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive).
- d) Members, who desire any information as regards to the accounts, are requested to write to the Company, at least 10 days before the date of the meeting, so as to enable the Management to keep the information ready.
- e) Members holding shares in physical are requested to demat them immediately.
- f) Members are requested to notify change in address, if any, to the Company's Registrar & Transfer Agent / Depository Participants, for future correspondence.
- g) To support "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies by the central government, members are requested to register / update e-mail addresses so as to receive documents by electronic mode.
- h) Debentureholders' who have not claimed debenture interest / redemption, are requested to claim immediately since the amount remained unclaimed for more than 7 years shall be transferred to IEPF, pursuant to section 205C of the Companies Act, 1956.
- i) Members holding shares in the physical form are advised to avail the nomination facility in respect of their shares by filing the prescribed Form 2B (in duplicate). The prescribed form can be obtained from the Company's Registrar (R& TA). Members holding share in electronic form may contact the DP for recording their nomination.
- j) Members/ Proxies are requested to bring the attendance slip duly filled up and the copy of the Annual Report at the Annual General Meeting.

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

ITEM NO 5:

Shri. Puneet Makar was re-appointed as Managing Director of the Company for a period of three (3) years w.e.f. 2nd February, 2012 by the Board of Directors in their meeting held on 1st February, 2012 and his remuneration was duly approved by the Remuneration Committee, as detailed remuneration prescribed in the special resolution at item no. 5 of the notice.

Shri. Puneet Makar (50), is a Graduate in Business Administration from the U.S.A. After his graduation, he entered into his family business of Amforge Industries Limited. The Company was into manufacturing of steel forgings viz. Crankshafts, Gears, Shafts, etc. catering to OEMs in India as well as overseas.

He was appointed as Joint Managing Director and later promoted to Chairman & Managing Director of the Company and has been serving the Company for the last two decades.

He has contributed his leadership qualities and dynamism to the growth of the Company, and undertaken a lot of tours all over the world to bring business and promotion of the products.

Where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay to Shri. Puneet Makar, the remuneration by way of salary and other allowances not exceeding the limits specified in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

This resolution is being put up for the approval of the members as per the provisions of Schedule XIII of the Companies Act, 1956.

The above may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

None of the directors, except Shri. Puneet Makar himself and Shri. Yogiraj Makar, are concerned or interested in this resolution.

By Order of the Board of Directors

Puneet Makar
Chairman & Managing Director

Registered / Corporate Office:
108-111, Raheja Chambers
Free Press Journal Marg
Nariman Point, Mumbai-400021

Place: Mumbai
Date: 13-08-2012

Details of Directors being appointed at Annual General Meeting (In Pursuance of Clause 49 (IV) (G) (i) of the Listing Agreements)

Name of Director	Shri. Rakesh Khanna	Shri. Bhushanlal Gupta	Shri Puneet Makar
Date of birth	14-1-1952	13-1-1938	12-8-1962
Qualification	B.Com (Hons), FCA	M.Com. D.S.W., CAIIB	BBA (USA)
Date of Appointment	29-1-2009	24-3-2005	1-10-1994
Expertise	Chartered Accountant Served the industry and profession in various capacities across various repute over 3 decades	Financial Appraiser Real Estate Development	Corporate Strategy, Financial Management and affairs of the Company
Other Directorships	Foundation for Promotion of Sports & Games. Geecee Ventures Limited GCIL Finance Limited 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 Caprihans India Limited	-	Viniyog Investment & Trading Co.Pvt.Ltd Bonjur Investment & Trading Co. Pvt. Ltd Salil Investments Private Ltd
Chairman/ Member of the Committees	<u>Chairman - Audit Committee</u> Mangal Keshav Holding Ltd Mangal Keshav Securities Ltd Mangal Keshav Capital Ltd Gee-Cee Ventures Limited Caprihans India Limited	Chairman Shareholders / Investors Grievance Committee of Amforge Industries Limited up to 31 st January, 2012.	Member Shareholders / Investors Grievance Committee of Amforge Industries Limited.
	<u>Member - SIGC</u> Mangal Keshav Ins. Brokers Ltd. Mangal Keshav Distributions Ltd Gee-cee Venture Limited Caprihans India Limited		

Directors' Report

To:

The Members,
AMFORGE INDUSTRIES LIMITED

Your Directors hereby present the 40th Annual Report and audited statement of accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

(₹ in 000's)

	2011-12	2010-11
Total Income	43961.08	22836.36
Earning before Interest, Depreciation, Exceptional items and Tax.	(29724.07)	(77769.00)
Less: Depreciation	3855.80	8862.53
Profit / (Loss) before Interest, Exceptional items and tax	(33579.87)	(86631.53)
Less: Interest and Finance cost	7267.79	8862.53
Profit / (Loss) before Exceptional items and tax	(40847.66)	(95595.95)
Less: Exceptional items	55596.56	19179.76
Profit / (Loss) before tax	14748.90	(76416.19)
Provision for Current Tax	3030.27	36.13
Provision for Deferred Tax	19558.00	(22446.00)
Profit / (Loss) after Tax	(7839.37)	(54006.32)
Balance of Profit / (Loss) brought forward from previous year	(416089.04)	(362082.72)
(Loss) carried to Balance Sheet	(423928.41)	(416089.04)

FINANCIALS:

During the year under review, your Company registered a total income of ₹ 43961.08 thousands as against ₹ 22836.36 thousands in the previous year and Earning Profit / (Loss) before Interest, Depreciation, Exceptional items and tax (₹ 29724.07) thousands as against (₹ 77769) thousands in the previous year. The Profit before tax for the year is ₹ 14748.90 thousands as against Loss of (₹ 76416.19) thousands in the previous year.

DIVIDEND:

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

PUBLIC DEPOSITS:

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

DIRECTORS:

Shri. Rakesh Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
Shri. Bhushanlal Gupta, who retires by rotation and being eligible, offers himself for re-appointment.

Shri. Puneet Makar has been reappointed as Managing Director of the Company for a period of three (3) years w.e.f. 2nd February, 2012 by the Board of Directors in their meeting held on 1st February, 2012 on the terms and conditions including remuneration, as approved by the Remuneration Committee of the Board of Directors, subject to approval of the shareholders of the Company.

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, 2012 and of the 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, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment in accordance with the provisions of the Companies Act, 1956.

AUDITORS REPORT:

The Directors give the following comments on Para - 4 of the Auditor's Report:

The production at Chinchwad plant was suspended, from December, 2008 due to the major recession in the automobile industry. In May, 2009 a lock out had to be declared at the plant, because of labour unrest. Since there was no manufacturing activity at the plant and in order to settle the workmen's dues, which were overburdening the Company's financials, the assets of the Chinchwad plant were disposed off.

As far as Accumulated losses, these were mainly due to the absence of revenue from the manufacturing operations, and the expenses incurred on settlement of the workmen's and other statutory dues. With regard to the Debt Assignment, the Board of Directors after due consideration and based on the commercial viability, decided to assign the debt.

Subsequent to the disposal of the assets at its plant, the Company continues its trading activities, and is also exploring other business avenues, in terms of the Memorandum of Association of the Company.

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

The Company has ceased to carry on any manufacturing activity for last three years. As such there is nothing further to report on Conservation of Energy and Technology Absorption.

Foreign Exchange Earning	:	Nil
Foreign Exchange Outgo	:	Nil

MANAGEMENT DISCUSSION AND ANALYSES:

Pursuant to Clause-49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Management Discussion and Analysis (MDA) is required to be annexed to this report. There is nothing to report as the company has disposed off its assets at its only plant at Chinchwad during the year subsequent to closure of manufacturing activities. However, the company continued trading activities.

Also the company is exploring other business activities in terms of the Memorandum of Association of the Company.

EMPLOYEES:

The company has no employees in respect of whom information under Sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and amended as on date is required to be furnished.

CORPORATE GOVERNANCE:

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

COMPLIANCE CERTIFICATES:

Pursuant to Clause 49 of the Listing Agreement and Section 383A of the Companies Act, 1956, certificates issued by Practising Company Secretary are annexed to this report, as Annexure-2 and 3 respectively.

ACKNOWLEDGMENT:

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

For and on behalf of the Board of Directors

Puneet Makar
Chairman & Managing Director

Place: Mumbai
Date: 29-05-2012

Annexure - 1 to the Directors' Report

CORPORATE GOVERNANCE:

1. The Company practices Corporate Governance as a continuing exercise.
2. **Board of Directors:**

During the year 2011-2012, the composition of the Board of Directors was such that it complied with the requirements of Independent and Non-Executive Directors.

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

Composition and Category of Directors:

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

The attendance of the Directors at the meetings of Board of Directors held during the financial year 2011-2012 and the last Annual General Meeting:

Date of Board of Directors' Meetings	No. of Directors Present
13-05-2011	4
14-06-2011	4
10-08-2011	5
29-08-2011	5
14-11-2011	5
01-02-2012	6

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

Sr. No.	Name of Directors	No. of meetings attended	Attendance at the AGM
1	Shri. Puneet Makar	3	-
2	Shri. Yogiraj Makar	4	Present

3	Shri. Fali Mama	6	Present
4	Shri. Sunil Aggarwal	5	-
5	Shri. Rakesh Khanna	5	Present
6	Shri. Bhushanlal Gupta	6	Present

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

Name of Directors	* No of Directorship & Committee membership / chairmanship (other than the Company)		
	Other Directorship	**Committee Membership	** Committee Chairmanship
Shri. Puneet Makar	-	-	-
Shri. Yogiraj Makar	-	-	-
Shri. Fali Mama	1	2	-
Shri. Sunil Aggarwal	-	-	-
Shri. Rakesh Khanna	10	4	5
Shri. Bhushanlal Gupta	-	-	-

Note :

* Directorship in private companies and associations are excluded.

** considered Audit Committee, Shareholders / Investors' Grievances Committee only.

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

3. Committees of Board of Directors:

Audit Committee:

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

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

The Audit Committee has been entrusted with the blend of functions and responsibilities as are given in Clause 49 (II) of the Listing Agreement and as stated under Section 292A of the Companies Act, 1956. The terms of reference include overseeing financial

reporting process, internal control system, reviewing the accounting policies and practices and financial statements audited by the statutory auditors as also to review financial and risk management policies.

The record of attendance of the Audit Committee during the financial year 2011-2012 is as under:

Name of Directors	Date of Meetings				
	13-5-2011	10-8-2011	29-8-2011	14-11-2011	1-2-2012
Sunil Aggarwal	-	Present	Present	Present	Present
Rakesh Khanna	Present	Present	Present	Present	Present
Fali Mama	Present	Present	Present	Present	Present

4. **Remuneration Committee:**

The Remuneration Committee was as under:

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

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

One meeting was held on 1st February, 2012 during the year 2011-12 in which all members of the committee were present.

Details of the sitting and other fees paid to the Non-Executive Directors for the financial year 2011-2012:

Name of the Directors	Sitting fees paid for attending board / committee meetings (₹)	Professional Fees (₹)
Shri. Yogiraj Makar	-	13,23,600
Shri Fali Mama	-	6,00,000
Shri. Sunil Aggarwal	13500.00	-
Shri. Rakesh Khanna	16500.00	-
Shri. Bhushanlal Gupta	10500.00	-

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

The SIG Committee was as under upto 1st February, 2012:

Shri. Bhushanlal Gupta	-	Chairman
Shri. Fali Mama	-	Member
Shri. Puneet Makar	-	Member

The Committee reconstituted as under:

Shri. Sunil Aggarwal	-	Chairman
Shri. Fali Mama	-	Member
Shri. Puneet Makar	-	Member

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

One meeting was held on 31-03-2012 during the year 2011-2012 in which all members of the committee were present.

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

6. Complaints received /redressed during the period from 1-4-2011-31-3-2012:

Nature of Complaint	Complaints Received from 1-4-2011 to 31-3-2012						Total	Redressed	Not Redressed	Reason (s) for non redressal
	SEBI	Stock Exchange	ROC	Dept. of Company Affairs	Consumer Forum	Investors				
Non- receipt of Shares	-	-	-	-	-	-	-	-	-	-
Non -receipt of Dividend	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-
Non- receipt of Deb. Int.	-	-	-	-	-	-	-	-	-	-
Non-receipt of New S/C.	1	-	-	-	-	8	9	9	-	-
TOTAL	1	-	-	-	-	8	9	9	-	-

7 i) The General Body Meetings held in the last three years and special resolution passed thereat:

Sr. No.	Date	Day & Time	Venue	Event	Remarks
1.	30-9-2009	Wednesday 2.30 p.m.	Maharashtra Chamber of Commerce, Babasaheb Dahanukar Sabhagriha, Oricon House, Mumbai-400001	37 th AGM	Special Resolution passed
2.	30-9-2010	Thursday 2.30 p.m.	-do-	38 th AGM	No Special Resolution passed
3	30-9-2011	Friday 2.30 p.m.	-do-	39 th AGM	- do -

ii) Postal Ballot:

During the financial year under review, no resolutions were passed through postal ballot.

8. Disclosures:

Related Party Transactions (₹ in Lacs):

Name of the Parties / Person	Opening Balance 1 st April, 2011	ICD /Loan Transaction		Closing Balance 31st March, 2012	Max. amount out- standing during the year	Other Transactions		
		Received	Repaid			Payment of Int.	Payment of rent	Payment of Salary / Fees
Viniyog Inv. & Trading Co. Pvt. Ltd	598.10	38.00	621.10	15.00	-	28.83	-	-
Nainesh Inv & Trading Co. Pvt. Ltd	504.35	332.00	836.35	-	-	29.07	-	-
Nainesh Trading & Consultancy LLP	-	190.85	92.50	98.35	-	7.02	-	-
Devidass Pvt. Ltd	18.00	1.00	19.00	-	-	0.63	-	-
Makar Estate	-	-	-	-	-	-	1.20	-
Dujon Comml. Pvt. Ltd - Investment	20.00	20.00	-	-	-	-	-	-
Sub Total	1140.45	581.85	1568.95	113.35	-	65.55	1.20	-
Key Management Personnel								
Yogiraj Makar	-	-	-	-	-	-	-	13.24
Puneet Makar	72.00	-	-	-	-	1.91	-	31.36
Sub Total	72.00	-	-	-	-	1.91	-	44.60
Total	1212.45	581.85	1568.95	113.35	-	67.46	-	44.60

Code for prevention of insider trading practices:

The Company has formulated, adopted and implemented Code of Conduct for prevention of insider trading in the shares of the Company pursuant to provisions of SEBI (Prohibition 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.

Codes of Conduct:

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

CEO / CFO Certification:

Pursuant to Clause-49 V of the Listing Agreement, CEO/CFO has issued a certificate to the Board regarding financial statements for the year ended 31st March, 2012.

9. Means of Communication:

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

The Company has been submitting its financial results, shareholding patterns, annual reports and required events to be submitted to the Bombay Stock Exchange Limited (BSEL) where the equity shares of the company is listed. The BSEL is reproducing the same in their website www.bseindia.com for the general public consumption.

The Company is also having its own website: www.amforgeindia.com and is uploading the events and financial results of the company.

10. General Shareholder Information:**(i) Annual General Meeting:**

Day	Friday
Date	28th September, 2012
Time	2.30 p.m.
Venue	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, K. Dubash Road, Fort, Mumbai – 400001.

(ii) Financial Calendar:

Un-audited Financial Results for the quarter ended 30th June, 2012.	On or before 15th August, 2012
Un-audited Financial Results for the quarter ended 30th September, 2012.	On or before 15th November, 2012
Un-audited Financial Results for the quarter ended 31st December, 2012.	On or before 15th February, 2013
Audited Financial Results for the year ended 31st March, 2013.	On or before 30th May, 2013

(iii) Date of Book Closure:

From 21-9-2012 – 28-9-2012 (inclusive of both days)

(iv) Dividend Payment Date:

Not applicable, since no dividend is declared.

(v) Listing on Stock Exchanges:

Bombay Stock Exchange Ltd. (Listing fee paid for the year 2012-2013)

(vi) Stock Code : 513117 (ISIN for demating of shares - INE991A01020)

(vii) Market Price Data during the year 2011-2012:

Month	Share Price		BSE Sensex
	High	Low	
Apr -2011	5.17	3.98	19135.96
May-2011	4.47	3.42	18503.28
June-2011	4.38	3.45	18845.87
July- 2011	4.19	3.06	18197.20
Aug- 2011	3.89	2.60	16676.75
Sep – 2011	4.12	2.90	16453.76
Oct- 2011	3.09	2.50	17705.01
Nov- 2011	2.93	2.25	16123.46
Dec- 2011	2.43	1.71	15454.92
Jan – 2012	2.62	1.82	17193.55
Feb- 2012	3.13	1.92	17752.68
Mar- 2012	2.21	1.53	17404.20

(viii) 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.

(ix) 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 both in physical and demat.

The transfers received are processed by the Registrar and Transfer Agents duly approved by the Share Transfer Executive Committee and despatched within the time limit prescribed under the Listing Agreement.

(x) Distribution of shareholding as of 31st March, 2012:

Distribution of Shares	No. of Share-holders	% to total no. of share-holders	No. of shares held	% to total shares
Up to 100	14190	75.75	484406	3.27
101 to 200	1604	8.53	266299	1.80
201 to 500	1445	7.68	540336	3.65
501 to 1000	703	3.74	615285	4.15
1001 to 5000	671	3.57	1591999	10.74
5001 to 10000	106	0.56	793189	5.35
10001 to 100000	80	0.43	2085817	14.07
100001 & above	9	0.05	8442875	56.97
Total	18808	100	14820206	100

xi) Shareholding Pattern as of 31st March, 2012:

Category of Shareholders	Number of Shares held	% of holding
Indian Promoters	2588879	17.469
Directors' Relatives	176270	1.189
Group Companies and Associates	5379091	36.296
Financial Institutions, Banks & Ins.	24479	0.165
Mutual Funds & UTI	3840	0.026
FII's	0	0
NRIs / OCBs	243126	1.641
Domestic Companies	846046	5.709
Public	5549593	37.446
Clearing Members	8882	0.060
Total	14820206	100

(xii) Dematerialization of Shares and Liquidity as of 31st March, 2012:

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		Dematerilised		Total
Number	474242		14345964		14820206
% to total	3.20		96.80		100
	Promoters	Public	Promoters	Public	Total
Number	658	473584	8143582	6202382	14820206
% to form	0.14	99.86	56.77	43.23	
% form to Total	0.00	3.20	54.95	41.85	100

(xiii) Outstanding GDRs / ADRs / Warrants or any Convertible instruments / conversion and date likely impact on equity:

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

(xiv) Addresses for Correspondence:

For Shareholders:

Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai-400072. Tel: 022-28515606 / 28516544. Fax: 022-8512885, email: sharexindia@vsnl.com web: www.sharexindia.com

For Others:

Amforge Industries Limited, 108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai - 400021. Telephone: 022-66365962, 6636563. Fax: 022-66365964, email: amfcosec@mtnl.net.in / secretarial@amforgeindustries.com. website: www.amforgeindia.com.

For and on behalf of the Board of Directors

Puneet Makar
Chairman & Managing Director

Place: Mumbai
Date: 29-05-2012

Annexure -2**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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, 2012, as stipulated in Clause 49 of the Listing Agreement entered into by Company with the 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 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 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.

Rajkumar R. Tiwari
Practising Company Secretary
FCS: 4227 CP No.:2400

Place: Mumbai
Date: 25-05-2012

Annexure -3**COMPLIANCE CERTIFICATE**

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

CIN of the Company	L28910MH1971PLC015119
Authorised Capital	Rs.20,00,00,000
Issued, Subscribed & Paid up Capital	Rs. 2,96,40,412

To:

The Members of 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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended 31st March, 2012. 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 and its agents, I certify that:

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 thereunder 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 thereunder.
3. The company being a public limited company comments are not required.
4.
 - a) The Board of Directors duly met six (6) times on 13/05/2011, 14/06/2011, 10/08/2011, 29/08/2011, 14/11/2011 and 01/02/2012 during the year, in respect of which proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose.
 - b) The audit committee duly met five (5) times on 13/05/2011, 10/08/2011, 29/08/2011, 14/11/2011 and 01/02/2012 during the year, in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the minute's book maintained for the purpose.
 - c) The Remuneration Committee duly met one time on 01/02/2012 during the year, in respect of which proper notices were given and the proceedings were properly recorded in the minute's book maintained for the purpose.
 - d) Share transfer executive committee meetings are being held twice in a month to look after transfer / transmission of shares, issue duplicate share certificates, dematerialization and investors' grievances.
5. The company has closed its Register of Members from 23/09/2011 to 30/09/2011 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended 31/03/2011 was held on 30/09/2011 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors /persons /firms / companies referred to u/s. 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. 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 Share transfer executive committee has approved the issue of duplicate Share certificates during the financial year.
13. The company
 - i) has delivered all share certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act. However there was no allotment of securities during the financial year.
 - (ii) was not required to deposit any amount in separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) has transferred interest amount on matured debentures which have remained unclaimed or unpaid for a period of 7 years to Investors Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The re-appointment of Managing Director has been duly 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 was not required to obtain any approvals of the Ministry of Corporate Affairs, Company Law Board, Regional Director, Registrar or such other authorities, as

may be prescribed under the various provisions 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. There was no redemption of preference shares / 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 amount borrowed by the Company from Directors, Members, Financial Institutions, Banks and others during the financial year are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have passed in duly convened extra ordinary general meeting.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register.
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 financial year.
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 financial year.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
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 during the financial year.
33. The company has not constituted a separate Provident Fund Trust for its employees or class of its employees as contemplated u/s. 418 of the Act.

RAJKUMAR R. TIWARI
Practising Company Secretary
FCS: 4227 CP No.:2400

Place: Mumbai
Date : 25-05-2012

ANNEXURE -A
REGISTERS MAINTAINED

1. Register of Charges u/s.143.
2. Register of Members u/s. 150 (Maintained by RTA).
3. Minutes of the Meeting of the Board of Directors, Committee thereof and Members of the Company u/s 193(1).
4. Books of Accounts u/s. 209.
5. Register of Contracts, Companies & Firms in which Directors are interested u/s. 301.
6. Register of Directors u/s.303.
7. Register of Directors' Shareholdings u/s. 307.
8. Register of investment made / guarantee given or security provided u/s 372A.
9. Register of Transfers (Maintained by RTA).
10. 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 31st March, 2012.

Sr. No.	Form No	Filed Under Section	For	Date of Filing	Whether filed within prescribed time	If delay in filing whether requisite fee paid Yes / No
1	17	135	Satisfaction of Charge	B09310616 5-4-2011	Yes	N/A
2	17	135	Satisfaction of Charge	B09311846 05-04-2011	Yes	N/A
3	1INV	205 C	Statement of amounts transferred to Investors Education & Protection Fund.	B10772580 25-4-2011	Yes	N/A.
4	61	-	As per letter No.ROC/ BOM/ STAT15119/5736 dt 26-8-2002, each quarter, a certificate be filed with ROC in respect of unclaimed amount transferred to IEPF.	B17255340 1-8-2011	Yes	N/A.
5	21	621A	Company Law Board Order regarding compounding of offence u/s.212 of the Act.	B18096305 11-8-2011	Yes	N/A
6	66	383A	Submission of Compliance Certificate.	P71591531 04-10-2011	Yes	N/A
7	20B	159	Annual Return made upto 30-9-2011	P73572604 19-10-2011	Yes	N/A
8	1INV	205C	Statement of amounts transferred to Investors Education & Protection Fund.	B23521685 25-10-2011	Yes	N/A
9	23AC XBRL & 23ACA XBRL	220	Balance Sheet, Profit and Loss Account for the year ended 31-3-2011	P84245539 30-12-2011	Yes	N/A
10	62	--	As per letter No.ROC/ BOM/ STAT15119/5736 dt 26-8-2002, each quarter, a certificate be filed with ROC in respect of unclaimed amount transferred to IEPF.	B30317812 24-1-2012	YES	N/A
11	23	192	Registration of resolutions and agreement	B31099203 03-2-2012	Yes	N/A
12	25C	269(2) and Sch. XIII	Return of appointment of Managing Director	B32584138 22-2-2012	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, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date both annexed thereto together referred to us financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial.
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, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March ,2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) **Attention is invited to the following:**
 - (1) **Note no. 1(2) regarding the discontinuation of the manufacturing operations at its Chinchwad Plant and selling of the substantial assets at such plant.**
 - (2) **Note no. 6, regarding the assignment of the debt payable to one of the Company against the amount receivable from the Company .**

- (g) Attention is also invited to Note No. 1(I), significant accounting policies of the Company, wherein it is stated that the company's financial statements have been prepared on "going concern" basis. It is pertinent to note that
- i) The accumulated losses as at 31.3.2012 are Rs. 4,11,638.88 thousands, which is more than 50% of the net worth of the Company.
 - ii) Company has sold of its entire assets lying at its only manufacturing plant at Chinchwad during the year.
 - iii) The Company has however, continued trading activities pursuant to disposal of its assets at such plant.
- (h) In our opinion and to the best of our information and according to the explanations given to us, **in view of the opinion given by us vide para (f) and (g) above**, 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, 2012;
 - (ii) in the case Statement of the Profit and Loss , 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 AND ASSOCIATES
Chartered Accountants
(Firm Registration No. 100985W)

S.K.Bansal
Proprietor.
M.No.012288.

MUMBAI : 29th May, 2012 .

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.
- (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 had been carried out at the year end. According to the information and explanations given to us, no material discrepancies were noticed on such verification .
- (c) The Company has disposed off entire fixed assets at its Chinchwad plant during the year and its going concern concept had been adversely affected.

2. In respect of its inventories:

- (a) According to the information and explanations given to us, there are no inventories at the year end date, hence there is no question of physical verification.
- (b) The procedure 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 during the year.
- (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 verification.

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. 32100 thousand from three companies and a firm and a director 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 such loans have been taken by the Company are "at arms length basis" and prima facie, not prejudicial to the interest of the Company.
- (d) However, there are no stipulation as to repayment of principal and interest but are repayable on demand.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control system 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. In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 during the year.
9. In respect of statutory dues:
- (a) According to the records of the Company, it has been regular in depositing undisputed statutory dues including investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other statutory dues except wealth tax, tax collected at source aggregating to ₹. 50.90 thousands 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 except wealth tax, tax collected at source aggregating to ₹. 50.90 thousands were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.

- (b) The disputed statutory dues aggregating to ₹.78151 thousands that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr No.	Name of the statute	Nature of the dues	Forum where dispute is pending	Amount ₹ '000s
1	Central Excise Act, 1944	Excise Duty	CESTAT Mumbai Asst./Addl./Jt. Commissioner of Central Excise.	48557
2	Customs Act	Customs Duty	CESTAT Mumbai	12068
3	Sales Tax Act	Sale Tax	Commissioner of Appeals (Sales Tax)	2057
4	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	15469
			Total	78151

10. The Company has accumulated losses more than fifty percent of its net worth as at the end of the financial year and the Company has not incurred cash losses during the current financial year, however, there were cash losses in 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. According to the information and explanation given to us, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares.
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 examination of books and records of the Company carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management.

For BANSAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100985W)

S.K. BANSAL
Proprietor
Membership No. 012288

Mumbai: 29th May, 2012.

BALANCE SHEET AS AT MARCH 31, 2012

		₹ in 000's	
		March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(A) Share capital	1	29,640.41	29,640.41
(B) Reserves and surplus	2	191,159.67	198,999.04
		220,800.08	228,639.45
2 Non-current Liabilities			
(A) Long term borrowings	3	2,855.18	1,548.46
(B) Other long term liabilities	4	11,335.00	202,687.00
		14,190.18	204,235.46
3 Current Liabilities			
(A) Trade payables	5	14,930.61	29,765.17
(B) Other current liabilities	6	6,070.43	122,846.74
(C) Short-term provisions	7	6,908.02	4,061.13
		27,909.06	156,673.04
TOTAL		262,899.32	589,547.95
II. ASSETS			
1 Non-current Assets			
(A) Fixed assets	8		
(i) Tangible assets		66,760.14	100,520.40
(ii) Capital work-in-progress		-	2,743.63
(B) Non-current investments	9	42,308.53	123,175.53
(C) Deferred tax assets (Net)	10	73,335.00	92,893.00
		182,403.67	319,332.56
2 Current Assets			
(A) Inventories	11	-	43,402.06
(B) Trade receivables	12	12,787.03	35,784.28
(C) Cash and bank balances	13	4,959.00	4,841.03
(D) Short-term loans and advances	14	62,749.62	186,188.02
		80,495.65	270,215.39
TOTAL		262,899.32	589,547.95
Significant Accounting Policies	22		
Notes to Balance Sheet and Statement of Profit and Loss	23		
Notes 1 to 23 form part of the financial statements.			

As per our report of even date
For Bansal & Associates
Chartered Accountants
(Firm Regn No. : 100980W)

S. K. Bansal
Proprietor
Membership No. 12288
Mumbai, May 29, 2012

On behalf of Board of Directors
Puneet Makar - Chairman & Managing Director
Yogiraj Makar - Director
Fali P. Mama - Director
Sunil Aggarwal - Director
Bhushanlal Gupta - Director
Rakesh Khanna - Director

Mumbai, May 29, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	For the year ended March 31, 2012	₹ in 000's For the year ended March 31, 2011
I. Revenue from Operations	15	37,093.57	9,072.54
II. Other Income	16	6,867.51	13,763.82
III. Total Revenue (I + II)		43,961.08	22,836.36
IV. Expenses:			
Raw Material Consumed / Purchases for Traded Goods	17	18,878.90	-
(Accretion) / Decretion to Stocks	17	27,563.84	17,962.84
Employee benefit expenses	18	5,591.39	54,379.76
Manufacturing Expenses			
Finance costs	19	7,267.79	8,964.42
Depreciation and amortization expense	8	3,855.80	8,862.53
Other expenses	20	21,651.02	28,262.76
Total Expenses		84,808.74	118,432.31
V. Profit / (Loss) before exceptional items (III-IV)		(40,847.66)	(95,595.95)
VI. Exceptional items		55,596.56	19,179.76
VII. Profit / (Loss) before Tax (V+VI)		14,748.90	(76,416.19)
VIII. Tax expense			
1) Current tax		3,030.27	36.13
2) Deferred tax		19,558.00	(22,446.00)
IX. Profit / (Loss) for the year (VII - VIII)		(7,839.37)	(54,006.32)
X. Earnings per equity share :	21		
1) Basic		(0.53)	(3.64)
2) Diluted		(0.53)	(3.64)
Significant Accounting Policies	22		
Notes to Balance Sheet and Statement of Profit and Loss	23		

Notes 1 to 23 form part of the financial statements.

As per our report of even date
For Bansal & Associates
Chartered Accountants
(Firm Regn No. : 100980W)

S. K. Bansal
Proprietor
Membership No. 12288
Mumbai, May 29, 2012

On behalf of Board of Directors
Puneet Makar - Chairman & Managing Director
Yogiraj Makar - Director
Fali P. Mama - Director
Sunil Aggarwal - Director
Bhushanlal Gupta - Director
Rakesh Khanna - Director

Mumbai, May 29, 2012

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

(₹. in 000's)

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax and Exceptional items	(40,847.66)	(95,595.95)
Adjustments for :		
Depreciation	3,855.80	8,862.53
Interest on Borrowings	7,267.79	8,964.42
Interest / Dividends (Net)	(5,525.76)	(2,342.57)
Profit / (Loss) on Sale of Assets (Net)	861.39	1,511.65
Exceptional items(Net)	55,596.56	19,179.76
Profit / (Loss) on sale of investments(Net)	538.70	651.13
Provision for Wealth Tax & Income Tax	(3,030.27)	(36.13)
	59,564.21	36,790.79
Operating Profit Before Working Capital changes	18,716.55	(58,805.16)
Adjustments for :		
Trade and Other Receivables	165,225.66	(107,107.77)
Inventories	43,402.06	17,962.84
Trade and Other Payables	(128,763.98)	40,066.26
	79,863.74	(49,078.67)
Cash Generated from Operations	98,580.29	(107,883.83)
Direct Taxes / TDS	(10,425.44)	(1,248.55)
Net Cash Generated in Operating Activities (A)	88,154.85	(109,132.38)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,161.64)	(121.25)
Sale of Fixed Assets	33,948.34	2,233.34
Sale of Investments	80,328.30	10,625.91
Intercorporate Deposits	(10,000.00)	-
Interest / Dividends Received (Net)	5,525.76	2,342.57
Net Cash from Investment Activity (B)	107,640.76	15,080.57
CASH FLOW FROM FINANCING ACTIVITIES		
Change in Borrowings - Secured Loans	1,306.72	(3,791.61)
Change in Borrowings - Unsecured Loans	(189,716.57)	106,779.08
Interest on Borrowings	(7,267.79)	(8,964.42)
Cash from Financing Activity (C)	(195,677.64)	94,023.05
Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C)	117.97	(28.76)
Cash or Cash Equivalent as on 1st April 2011(Opening Balance)	4,841.03	4,869.79
Cash or Cash Equivalent as on 31st March 2012 (Closing Balance)	4,959.00	4,841.03
Net Increase / (Decrease) in Cash and Cash Equivalent	117.97	(28.76)

As per our report of even date
For Bansal & Associates
Chartered Accountants
(Firm Regn No. : 100980W)

S. K. Bansal
Proprietor
Membership No. 12288
Mumbai, May 29, 2012

On behalf of Board of Directors
Puneet Makar - Chairman & Managing Director
Yogiraj Makar - Director
Fali P. Mama - Director
Sunil Aggarwal - Director
Bhushanlal Gupta - Director
Rakesh Khanna - Director

Mumbai, May 29, 2012

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2012

Note 1: Share capital

(₹. in 000's)

(A) Authorised, Issued, Subscribed and Paid up Share Capital

	As at March 31, 2012		As at March 31, 2011	
	Number	₹ in 000's	Number	₹ in 000's
Authorised				
Equity shares of Rs. 2/- each	98,750,000	197,500.00	98,750,000	197,500.00
15% Redeemable Cumulative Preference shares of Rs. 100/- each	25,000	2,500.00	25,000	2,500.00
		<u>200,000.00</u>		<u>200,000.00</u>
Issued Subscribed & Paid up				
Equity Shares of Rs. 2 Each	14,820,206	29,640.41	14,820,206	29,640.41
Total share capital	<u>14,820,206</u>	<u>29,640.41</u>	<u>14,820,206</u>	<u>29,640.41</u>

(B) Reconciliation of the number of shares outstanding:

	As at March 31, 2012		As at March 31, 2011	
	Number	₹ in 000's	Number	₹ in 000's
Equity shares of Rs. 2/- each fully paid				
Outstanding at the beginning of the year	14,820,206	29,640.41	14,820,206	29,640.41
Issued during the year	-	-	-	-
Outstanding at the end of the year	14,820,206	29,640.41	14,820,206	29,640.41

(C) Shareholders holding more than 5% shares of the Company:

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	%	No. of Shares held	%
Equity shares of Rs. 2/- each fully paid				
Viniyog Investment and Trading Company Private Limited.	3,005,921	20.28	3,005,921	20.28
Nainesh Investment and Trading Company Private Limited	-	0.00	2,208,211	14.90
Nainesh Trading and Consultancy LLP	2,208,211	14.90	-	0.00
Mr. Puneet Makar	2,168,573	14.63	2,168,573	14.63
Total	<u>7,382,705</u>	<u>49.82</u>	<u>7,382,705</u>	<u>49.82</u>

Rights, preferences and restriction attached to shares

Equity Shares :

* The Company has one class of equity shares having a par value of ₹. 2 per equity share held.

* Each share holder is eligible for one vote per share.

* if any dividend is proposed by the board of directors, then the same is subject to approval of the share holders in the ensuing annual general meeting except in the case of intrim dividend.

* In the unlikely event of the liquidation of the company the equity shareholders are eligible to receive the residual value of assets of the Company, if any, after all secured and unsecured creditors of the Company are paid off, in proportion of their shareholding in the Company.

Note 2: Reserves and surplus

(₹. in 000's)

	As at March 31, 2012	As at March 31, 2011
A. Capital Reserve		
Balance at the beginning & at the end of the year	1,626.12	1,626.12
B. Capital Redemption Reserve		
Balance at the beginning & at the end of the year	1,510.00	1,510.00
C. General Reserve		
Balance at the beginning & at the end of the year	428,757.06	428,757.06
D. Securities premium		
Balance at the beginning & at the end of the year	183,194.90	183,194.90

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
E. Surplus / (Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(416,089.04)	(362,082.72)
Add: Profit / (Loss) for the year	(7,839.37)	(54,006.32)
Balance at the end of the year	(423,928.41)	(416,089.04)
Total	191,159.67	198,999.04

Note 3: Long Term Borrowings

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
Secured Loans		
Vehicle Loans		
- From Banks	2,855.18	1,548.46
Total	2,855.18	1,548.46

Loans secured by exclusive hypothecation of respective vehicles.

Note 4: Other Long Term Liabilities

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
Unsecured Loans		
- from related parties	11,335.00	119,245.00
- from others	-	83,442.00
Total	11,335.00	202,687.00

During the year company has assigned the Debt payable of Rs. 83442 thousands to one of the Company against the amount receivable from such Company.

Note 5 : Trade Payables

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
Trade payables		
- to others	14,930.61	29,765.17
Total	14,930.61	29,765.17

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year-end together with the interest paid/ payable as required under the said Act have not been given.

Note 6: Other Current Liabilities

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
- Statutory dues	903.38	3,476.78
- Others	5,167.05	119,369.96
Total	6,070.43	122,846.74

Note 7 : Short-Term Provisions

	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
Provision for		
- Employee benefits	700.31	1,131.01
- Expenses	6,207.71	2,930.12
Total	6,908.02	4,061.13

Note 8 : Fixed Assets

(₹. in 000's)

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at April 1, 2011	Additions	Deletions	Balance as at March 31, 2012	Up to March 31, 2011	Depreciated on charge for the year	On deletions	Up to March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
A										
Tangible assets										
Lease Hold Land	1345.76	0	1345.76	0	1037.20	0	1037.20	0	0	308.56
Buildings	58443.51	852.80	12598.64	46697.67	12255.99	761.17	8045.92	4971.24	41726.43	46767.34
Plant & Equipment	144055.54	0	144055.54	0	117805.02	0	117805.02	0	0	26250.52
Office equipments	5730.30	0	1853.34	3876.96	2236.74	184.16	1156.35	1264.55	2612.41	3493.56
Vehicles	16343.22	3695.06	2662.95	17375.33	8182.2	1445.95	1134.89	8493.26	8882.07	8161.02
Furniture and fixtures	24474.62	357.41	2473.56	22358.47	9809.09	1384.26	2215.02	8978.33	13380.14	14665.53
Data processing equipment	6458.02	0	5266.70	1191.32	5584.14	80.26	4632.17	1032.23	159.09	873.88
Sub Total (A)	256850.97	4905.27	170256.49	91499.75	156910.38	3855.80	136026.57	24739.61	66760.14	100520.41
B										
Capital Work in Progress	2743.63	0	2743.63	0	0	0	0	0	0	2743.63
Sub Total (B)	2743.63	0	2743.63	0	0	0	0	0	0	2743.63
Total (A) + (B)	259594.60	4905.27	173000.12	91499.75	156910.38	3855.80	136026.57	24739.61	66760.14	103264.04
Previous year	263560.20	121.25	5977.68	257703.77	150553.31	8862.54	2232.69	157183.16	100520.61	113006.68

1 Buildings Include ₹. 0.5 thousands being cost of Shares in Co-operative Housing Societies

2 Buildings includes three ownership flats, the possession of which is in dispute

3 Vehicles includes ₹. 4780.00 thousands purchased on loan against hypothecation of such assets (P Y ₹. 21382.00 thousand)

4 Additions and deletions to Fixed Assets Includes, ₹. 852.80 thousands (gross block), & accumulated Depreciation of ₹. 272.96 thousands, transferred from Plant to Head office.

Note 9 : Non-Current Investments

	As at March 31, 2012	(₹. in 000's) As at March 31, 2011
A. Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investments in subsidiaries:		
Nil (3000000) Shares of ₹. 10/- each fully paid up in Dujon Commercial Pvt.Ltd	-	121,000.00
B. Non trade investments (valued at cost unless stated otherwise)		
Quoted equity instruments - Fully paid up :		
800 Shares of ₹. 10/- each in Firth (India) Steels Ltd.	11.75	11.75
5302 Shares of ₹. 1/- each in Indian Hotels Co. Ltd.	557.07	557.07
2000 Shares of ₹. 2/- each in DLF Ltd.	1,606.71	1,606.71
C. Unquoted investments - Mutual Funds :		
9499.40 units of Taurus Liquid Fund	9,500.00	-
D. In Debentures & Bonds		
20000, 12% Secured Redeemable Non Convertible Debentures of ₹.1000/- each in Mannapuram General Finance & Leasing Ltd.	20,000.00	-
10, 11.80 % Perpetual Bonds of Tata Steels Ltd. of Rs. 1 Lac each fully paidup	10,633.00	-
Total	42,308.53	123,175.53
	As at March 31, 2012	As at March 31, 2011
Aggregate amount of quoted investments	2,175.53	2,175.53
Aggregate market value of listed and quoted investments	742.33	981.63
Aggregate amount of unquoted investments	40,133.00	121,000.00

Note 10 : Deferred tax assets (net)

	As at March 31, 2012	(₹. in 000's) As at March 31, 2011
A. Deferred tax liabilities:		
On difference between book balance and tax balance of fixed assets.	22,096.00	16,142.00
Total (A)	22,096.00	16,142.00
B. Deferred tax assets:		
on Unabsorbed Depreciation	3,142.00	9,745.00
on Unabsorbed Business Loss	92,156.00	98,954.00
on Provision for other Expenses	133.00	336.00
Total (B)	95,431.00	109,035.00
Deferred tax asset (Net)	73,335.00	92,893.00

Note 11: Inventories

	As at March 31, 2012	(₹. in 000's) As at March 31, 2011
Inventories		
Raw Material	-	8,185.19
Work in Progress	-	2,915.78
Finished Goods	-	11,873.12
Stores & Spares	-	5,844.85
Die Steel Blocks	-	4,589.75
Dies	-	9,993.37
Total	-	43,402.06

Note 12 : Trade Receivables	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
A. Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Others, Unsecured, considered good	6,724.89	35,784.28
B. Trade receivables outstanding for a period less than six months from the date they are due for payment.		
- Others, Unsecured, considered good	6,062.14	-
	<u>12,787.03</u>	<u>35,784.28</u>
Less: Provision for doubtful trade receivables	-	-
Total	<u>12,787.03</u>	<u>35,784.28</u>

Note 13 : Cash and Cash Equivalents	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
A. Cash on hand	2,685.44	2,851.27
B. Balances with banks		
In current accounts	1,308.22	1,024.42
In Margin Money Deposits	965.34	965.34
Total	<u>4,959.00</u>	<u>4,841.03</u>

Note 14: Short-Term Loans and Advances	(₹. in 000's)	
	As at March 31, 2012	As at March 31, 2011
Unsecured, Considered good		
A. Loan and advances to related parties		
- Short term loan to subsidiary	-	2,000.50
B. Deposits	601.63	4,380.82
C. Loans to Employees	-	606.66
D. Advance payment of taxes (net of provision)	27,401.06	16,975.62
E. Others advances		
Intercorporate Deposits	10,000.00	-
Balances with Excise Authorities	-	10,438.40
Other Advances	24,746.93	151,786.02
Total	<u>62,749.62</u>	<u>186,188.02</u>

Note 15 : Revenue from Operations	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Sales (Gross)	39,648.19	10,562.13
-Less : Excise Duty	2,554.62	1,489.59
Total	<u>37,093.57</u>	<u>9,072.54</u>

Note 16 : Other Income	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Interest income		
-Interest on Inter Corporate Deposits, Debentures & Bonds	4,117.21	2,266.70
B. Other non-operating income		
-Dividend	1,749.08	324.42
-Profit on sale of fixed asset (net)	11.07	79.89
-Profit on long term non trade investments	-	90.65
-Profit on Short term non trade investments	-	1.08
-Profit on Sale of Investment in Subsidiary	-	1,000.00
-Miscellaneous income	990.15	10,001.08
Total	6,867.51	13,763.82

Note 17 : Purchases for Traded Goods / Accretion /Decretion to Stock	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Purchases		
-Purchase of Traded Goods	18,878.90	-
	18,878.90	-
B. Accretion / Decretion to Stocks		
Stock at the beginning of the year		
- Work in Progress	2,915.78	9,788.70
- Finished Goods	11,873.12	14,849.47
- Adjustment for Inventory Disposed	12,774.94	8,113.57
Stock at the end of the year		
- Work in Progress	-	2,915.78
- Finished Goods	-	11,873.12
(Accretion) / Decretion in Stock	27,563.84	17,962.84
Total	46,442.74	17,962.84

Note 18: Employee Benefit Expenses	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Employee benefit expenses		
Salaries and wages	4,475.31	54,421.08
Contribution to provident and other funds	532.13	(849.86)
Staff welfare expenses	583.95	808.54
Total	5,591.39	54,379.76

A sum of ₹. 2,06,142/- towards provision for gratuity has been charged to the Statement of Profit and Loss.

Note 19 : Finance Costs

	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest on Loans	7,267.79	8,964.42
Total	7,267.79	8,964.42

Note 20 : Other Expenses

	(₹. in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Power Fuel & oil	-	1,690.14
Excise Duty Expenses	1,745.34	(919.74)
Rent, Rates & taxes	1,218.40	738.37
General Repairs	379.48	901.44
Loss on Sale of Assets	872.46	1,591.54
Loss on sale of investments - Long term	-	1,457.00
- Short Term	538.70	285.86
Professional / Legal Charges	5,922.17	6,792.76
Telephone Expenses	570.39	571.31
Travelling & Conveyance	3,032.32	2,560.45
Entertainment Expenses	1,009.42	828.94
Sales Tax Expenses	1,660.31	-
Share Registrar Expenses / Custodial fees	312.06	303.87
Office Maintenance	258.12	337.12
Prior Period Expenses	475.44	6,895.46
Other expenses	3,656.41	4,228.24
Total	21,651.02	28,262.76

Other expenses includes Payment to Auditors

A) for audit fees	150.00	150.00
B) for tax audit	50.00	50.00
C) for other services (Certifications/Limited Review Reports)	75.00	75.00
D) for reimbursement of expenses	25.00	25.00
Total	300.00	300.00

Note 21: Earnings Per Equity Share

		(₹. in 000's)	
	Units	For the year ended March 31, 2012	For the year ended March 31, 2011
Basic and Diluted EPS			
A. Profit after tax	₹	(7,839.37)	(54,006.32)
B. Weighted average number of ordinary shares	Numbers	14,820,206	14,820,206
C. Nominal value per ordinary share	₹	2	2
D. Earnings per share (Basic and Diluted)	₹	(0.53)	(3.64)

NOTES TO THE FINANCIAL STATEMENTS – MARCH 31, 2012

Note 22 : 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 based on cost incurred till the completion of different stages.

Finished Goods are valued at lower of cost or net realizable value. Costs are considered including all Direct and Indirect expenses incurred till the stage of Completion of Production.

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 Value Added Tax (VAT).

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.

Note 23 :
1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in 000's)

		As at 31st March, 2012	As at 31st March, 2011
(i)	Bank Guarantees outstanding in favour of the Government and other parties	944	944
(ii)	Towards Excise Duty demands against which the Company has preferred appeal	48557	48557
(iii)	Towards Custom Duty demands against which the Company has preferred appeal	12068	12068
iv)	Towards Sales Tax demands against which the company has preferred appeal	2057	5250
v)	Claims against the Company not acknowledged as debts	9119	12531
vi)	Others - Income Tax Demands	15469	15469
vii)	Towards assignment of debt of the company	83442	Nil

2. During the year the company has disposed off its assets along with Land & Building, Plant & Equipments etc and gains arising on such disposal have been included in exceptional items, and has been netted off against certain write offs, which includes bad debts written off of ₹ 27035 thousands.
3. During the year certain credit balances have been written back and included in exceptional items. In the same manner certain debit balances, which are unrecoverable, also been written back and included in exceptional item as shown above.
4. Pursuant to the resolution passed by the board of directors, the Company has disposed off entire 30,00,000 Equity Shares of ₹ 10/- each fully paid up in the wholly owned subsidiary of the Company namely Dujon Commercial Private Limited, during the year & Dujon Commercial Pvt. Ltd. is ceased to be a subsidiary of the company. The Loss arising on such disposal has been included in exceptional items.
5. Other Advances of ₹ 15166 thousands were paid towards expenses incurred/payments to a consultants' firm for performance improvement program at one of the Company's plants, the Company has filed a suit for recovery of the amounts paid/expenses incurred along with compensation for damages and Company has also deposited ₹ 7312 thousands with the Hon'ble Bombay High Court, have been written off during the year.
6. In terms of Accounting Standard - 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India, the Company is operating in one segment i.e. Forgings.
7. The outstanding balances as at 31st March 2012 in respect of trade receivables, trade payables, short term 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.
8. Disclosures as required by the Accounting Standard (AS) 18 - "Related Party Disclosures" are made below:

(A) Name of the related parties and description of relationship:

Associates / Group Companies / Firms	i) Nainesh Trading & Consultancy LLP (Formerly Nainesh Investment & Trading Co. Pvt. Ltd.) ii) Nainesh Investment & Trading Co. Pvt. Ltd (Converted into LLP w.e.f. 12-09-2011) iii) Viniyog Investment & Trading Company Private Limited iv) Devidass Private Limited v) Dujon Commercial Private Limited vi) Makar Estate
Key management personnel:	i) Mr. Yogiraj Makar ii) Mr. Puneet Makar

(B) Transactions for the year ended March 31, 2012:

(₹. in 000's)

Nature of Transaction	Nainesh LLP	Nainesh Pvt	Viniyog	Devida ss	Dujon	Maker Estate	Yogiraj	Puneet	TOTAL
Short term inter corporate deposit received	3000	24000	3800	100	2000			1200	34100
Short term inter corporate deposit repaid	50	67550	62110	1900				8400	140010
Interest paid on Inter Corporate Deposit	702	2907	2853	63				191	6716
Payment of Rent						120			120
Consultancy fees paid							1324		1324
Remuneration								3136	3136

(C) Balances outstanding as at March 31, 2012:

(₹. in 000's)

Inter corporate Deposit received	9835	-	1500	0	0	0	0	0	11335
----------------------------------	------	---	------	---	---	---	---	---	-------

9. Disclosures as per revised AS 15 for Defined Benefit plan

Reconciliation of opening and closing balance of obligation

(₹ in 000's)

Period	01.04.2011 to 31.03.2012	01.04.2010 to 1.03.2011
Actuarial Value of Projected Benefit Obligations (PBO) (01.04.2011)	4,69,245	1,41,02,082
Interest Cost from 01.04.2011 to 31.03.2012	37,540	11,28,167
Service Cost from 01.04.2011 to 31.03.2012	29,146	28,198
Benefits Paid from 01.04.2011 to 31.03.2012	-	1,26,84,965
Actuarial Gain / (Loss) on obligations	(22,763) Loss	21,04,237 Gain
PBO at the end (31.03.2012)	5,58,694	4,69,245

Expenses recognized in profit & loss account**P & L A/c Statement**

(₹ in 000's)

Interest Cost from 01.04.2011 to 31.03.2012	37,540	11,28,167
Service Cost and Expenses from 01.04.2011 to 31.03.2012	34,146	28,198
Actual return on plan assets from 01.04.2011 to 31.03.2012	53,687	5,165
Gain / Loss recognized as on 31.03.2012	(22,763) Loss	21,04,237 Gain
Net Provision to be shown in P & L A/c as expense	2,06,142 Loss	11,62,194

Amount recognized in balance sheet

Balance Sheet Statement:-

(₹ in 000's)

Present value of the Obligation at 31.03.2012	5,58,694	4,69,245
Fair value of plan assets at 31.03.2012	7,88,899	16,31,439
Over-funded Liability at 31.03.2012	15,37,275	11,62,194
Over-funded liability recognized in Balance Sheet	15,37,275	11,62,194

Principal actuarial assumptions

Date of Valuation	31.03.2012	31.03.2011
Discounting Rate	8.00% p.a.	8.00% p.a.
Rate of Increase in Compensation level	5.00% p.a.	5.00% p.a.
Rate of Return on Plan Assets	1.56% p.a.	1.56% p.a.
Mortality Table	L.I.C. (1994-96) ULTIMATE	L.I.C. (1994-96) ULTIMATE
Retirement Age	58 Years	58 Years

10. Figures for the previous year have been given in the bracket and are regrouped and rearranged wherever necessary.
11. The financial Statements for the year ended 31st March, 2011 were prepared as per then applicable erstwhile Schedule – VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule – VI under the Companies act, 1956, financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule – VI. Accordingly the previous year figures have also been reclassified to conform to this classification for adoption of revised Schedule – VI . The previous year's figures does not impact recognition and measurement principles followed for preparation of financial Statements.



Amforge Industries Limited

Regd / Corporate Office: 108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai-400021

ATTENDANCE SLIP

To be handed over at the entrance of the venue

D.P. ID	
Client ID	

Folio No.	
-----------	--

Name & Address of the Shareholder :

No. of Share (s) held :

I here by record my presence at the 40TH ANNUAL GENERAL MEETING of the Company at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001 on Friday, the 28th September, 2012 at 2.30 p.m.

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

-----><----- (CUT ALONG) -----><-----

PROXY FORM



Amforge Industries Limited

Regd / Corporate Office: 108-111, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai-400021

D.P. ID	
Client ID	

Folio No.	
-----------	--

I/ We _____ of _____
_____ being a member / members of the Amforge Industries Limited
hereby appoint _____
_____ of _____
or failing him _____ of _____
as my / our proxy to attend and vote for me / us on my / our behalf at the 40th Annual General Meeting to
be held on Friday, the 28th September, 2012 at 2.30 p.m. or any adjournment there.

affix
Re.1..00
Revenue
Stamp

Signed this _____ day of _____ 2012.

Note: The proxy form duly completed must be deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the meeting

Book Post

To,

If undelivered, please return to :
M/s. Sharex Dynamic (I) Pvt Ltd.
(Unit: Amforge Industries Limited)
Unit-1, Luthra Industrial Premises
Safed Pool, Andheri-Kurla Road
Andheri (East), Mumbai – 400072.