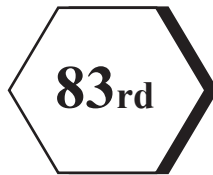




EL FORGE LIMITED



ANNUAL REPORT

2018 - 2019

EL FORGE LIMITED

BOARD OF DIRECTORS

Sri.V.Srikanth, Chairman
Sri.V.Ramachandran, Director
Sri.K.V.Ramachandran, Vice Chairman & Managing Director
Smt.R.Sowmithri, Executive Director (Finance)
Sri.J.Aron Rakkesh, Independent Director
Smt.Nivedita Lakshmi Ratan, Independent Director

COMPANY SECRETARY

Smt.R.Sowmithri

CHIEF FINANCIAL OFFICER

Sri. V Srinivasan

AUDITORS

M/S. L.Mukundan& Associates
Chartered Accountants
Flat No.1,2, Kamala Arcade, 669, Mount Road, Thousand lights,Chennai 600 006.

BANKERS

Edelweiss Asset Reconstruction Company Limited, Mumbai – 400 098
Bank of Baroda, Barathidasan Salai,Chennai 600018.

SHARE TRANSFER AGENTS

M/s INTEGRATED REGISTRY MANAGEMENT SERVICES PVT LTD
No.1, Ramakrishna Street, 2nd Floor, North Usman Road, T.Nagar, Chennai 17.

REGISTERED OFFICE & FACTORY

1A, Sriperumbudur High Road (via) Singaperumal Koil Appur Village, Kattangulathur
Onrium, Kancheepuram Dist., PIN 603 204. Ph : (044) 47112500, Fax (044) 4711 2523

CORPORATE OFFICE

21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai 600018. Ph : (044) 24334010

FACTORY

1. 1A, Sriperumbudur High Road (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram Dist., PIN 603 204. Ph : (044) 47112500, Fax : (044) 4711 2523
2. B-67, SIPCOT Industrial Complex, Gummidipoondi 601201.

EL FORGE LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 83rd Annual General Meeting of EL FORGE LIMITED will be held on Wednesday the, 25th day of September, 2019 at 11.30 AM. at Registered Office of the Company at 1A Sriperumbudur High Road, (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2019, the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in the place of Mr. V. Srikanth who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an Ordinary Resolution.

“Resolved that pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the members of the company at the 82nd annual general meeting held on 27th September 2018, the company hereby ratifies the appointment of **M/s.L.Mukundan & Associates Chartered Accountants (Firm Registration No.010283S)**, Chennai as the Statutory Auditor of the Company to hold office for a term of three years, from the conclusion of this 81st Annual General Meeting, on such remuneration plus GST as applicable and reimbursement of out-of pocket expenses in connection with the audit as may be mutually agreed upon by the Board of Directors and the Auditors, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

4. **Reappointment of Mr.K.V.Ramachandran as Vice Chairman & Managing Director**

To consider and if thought fit to pass with or without modification (s), the following resolution as a special Resolution.

“Resolved that pursuant to the provisions of Sections 196, 197, of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Appointment & Qualification of Directors) Rules 2014 including any modification thereof, Schedule V to Companies Act 2013, Clause 49 of the listing agreement, Mr. K.V.Ramachandran (DIN00322331) is hereby reappointed, retrospectively, as Vice Chairman & Managing Director of the Company for a period of three years from 1st April

EL FORGE LIMITED

2019 to 31st March 2021.

5. Re appointment of Mrs.R.Sowmithri as Executive Director (Finance)

To consider and if thought fit to pass with or without modification (s), the following resolution as a special Resolution.

“Resolved that pursuant to the provisions of Sections 196, 197, of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Appointment & Qualification of Directors) Rules 2014 including any modification thereof, Schedule V to Companies Act 2013, Clause 49 of the listing agreement, Mrs. R.Sowmithri (DIN 00280988) is hereby reappointed, retrospectively, as Executive Director Finance of the Company for a period of three years from 30th March 2019 to 29th March 2021

Place : Chennai

Date:12/08/2019

By Order of the Board

R.Sowmithri

Company Secretary

EL FORGE LIMITED

Notes

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy so appointed need not be a member of the Company. The proxy to be valid, shall be deposited with the Company not later than forty eight hours before the time for holding the meeting. Same person shall not be appointed as proxy on behalf for more than fifty members.
2. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members / Proxies should bring the attendance slips duly filled in for attending the meeting and annual report.
4. The explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of all the Items in the special business of the notice set out above, is here to annexed.
5. The Register of Members will be closed from 18th September, 2019 to 25th September, 2019 both days inclusive.
6. Members are requested to communicate the change of address, if any, quoting their respective folios to the Share Transfer Agents of the Company.
7. As per the provision for nomination in the Companies Act, 2013, Shareholders may nominate persons who shall become entitled to the Shares upon the death of such holders.
8. The nomination has to be made in the form prescribed without any cost to the shareholders. Shareholders interested, are requested to contact the “Shares Department” El Forge Limited, No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600 018.
9. Members, who are holding shares in identical order of names in more than one account, are requested to intimate to the Share Transfer Agents the ledger folio of such accounts together with the share certificates to enable the Company to consolidate all the holdings into one account. The share certificates will be returned to the members after making necessary endorsement in due course.
10. Demat Details - The Company's shares have been dematerialised with Central Depository Services Ltd and National Securities Depository Ltd. The ISIN No. of the Company is INE 158F01017 and INE158F03013.
11. Website - Quarterly information on results and other developments are posted on the Company's Website Members also note that the notice of the 83rd Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website : <http://www.elforge.com>
12. Electronic copy of the Annual Report will be sent to members in future whose email IDs are

EL FORGE LIMITED

registered with the Company / Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same. Positive consent letter is attached to the Notice being sent to the members for giving consent to receive documents in electronic mode.

13. In future electronic copy of the Notice of the General Meetings of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form will be sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
14. Members may also note that the Notice of the 83rd Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.elforge.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's Investor email id edf@elforge.com

Profile of the Non Executive Director retiring by rotation.

Name of the Director	Mr.V.SRIKANTH
Date of Birth and Age	19/10/1953 (66 Years)
Date of Appointment	1/4/2016
Expertise in specific functional areas the Auto	Professional exposure of 4 decades in Component Industry.
Board Membership of other companies ason March 31, 2019	The Vellore Electric Corporation Ltd. Wesco Engineers Ltd

For the attention of share holders holding shares in physical form

Updation of PAN and Bank Account details

SEBI has mandated all issuer Companies to update the PAN and Bank Account details of all holders holding shares in Physical form. Hence we request all those share holders to communicate the details along with self attested proof of the PAN card and a cancelled cheque leaf of your Bank Account to the Registrar : Integrated Registry Management Services Private Ltd, 2nd floor, Kences Towers, No 1 Ramakrishna street, North Usman Road, T.Nagar, Chennai – 600017.

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April1,2019,except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding physical shares are requested to consider converting their holdings to dematerialised form.

EL FORGE LIMITED

As a part of the company's GO GREEN initiative, members who have not registered their e-mail id are requested to update the same with the company, if held in the physical form or to the Depository, if held in demat mode.

The route map for the venue of the AGM is enclosed.

1. Voting through Electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company / Depository Participant :
 - I. Open e-mail and open PDF file viz. "SPL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - II. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - III. Click on Shareholder – Login
 - IV. Put user ID and password as initial password noted in step (i) above. Click Login.
 - V. Password change menu appears, Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination there of, note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - VI. Home page of e-Voting opens. Click on e-Voting:Active Voting Cycles.
 - VII. Select "EVEN" of El Forge Limited
 - VIII. Now you are ready for e-Voting as Cast Vote page opens
 - IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - X. Upon confirmation, the message "vote cast successfully" will be displayed.
 - XI. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - XII. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: bhave23@rediffmail.com with a copy marked to evoting@nsdl.co.in

EL FORGE LIMITED

- B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy).
- I (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM. **EVEN** (EVoting Event Number) **USER ID PASSWORD/PIN**
- (ii) Please follow all steps from Sr. No.(ii) to Sr.No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions(FAQs) for shareholders and e-voting user manual for Shareholders available at the “downloads” section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Sunday 22nd September, 2019 (9.00AM) and ends on 24th September, 2019 (5.00PM). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th September, 2019.
- VII. Mrs.B.Venkatalakshmi, Practicing Company Secretary (Membership No. 1005) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website www.elforge.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Ltd.
2. For the convenience of the members, Attendance Slip is annexed to this notice. Members /Proxy Holders /Authorised Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.

EL FORGE LIMITED

ANNEXURE TO THE NOTICE

1. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No.4

Mr.K.V.Ramachandran was appointed as the Vice Chairman & Managing Director for a period of five years from 1.4.2014. The Board vide Resolution dated 11th February,2019 reappointed him as Vice Chairman & Managing Director for a three year period with effect from 1.4.2019 on the following terms of remuneration in terms of Schedule V to the Companies Act,2013 and the rules related to Managerial remuneration. This is now placed for shareholders approval.

In terms of Sections 196,197,149,150 & 152 Schedule V and other applicable provisions of the Companies Act, 2013, and read with the Rules made there under the remuneration and other terms were fixed as stated below :

I. Salary

A Salary of Rs.2,50,000/- (Rupees Two lakhs fifty thousand only) per month in the grade of Rs.2,50,000-25,000-3,00,000 and a special allowance of Rs.15000/- (Rupees fifteen thousand only) per month.

Commission

Commission based on Net Profits of the Company in a particular year as decided by the Board, which put together with Salary and perquisites shall be subject to the overall ceilings laid down in the Companies Act, 2013 shall be paid.

II. Perquisites

Residence

- 1) Residential accommodation or in lieu thereof House Rent Allowance at 60% of salary per month. Gas, Electricity and Water shall be valued as per the Income Tax Rules 1962. This shall however be subject to a ceiling of 10% of the Salary.

- 2) Medical Reimbursement

Expenses incurred by self and family subject to a ceiling of one month's salary in one year or three months salary over a period of three years including premium for medical insurance.

- 3) Leave Travel Concession

For Vice Chairman & Managing Director and his family subject to a ceiling of one month's salary, once in a year.

EL FORGE LIMITED

Explanation

For this purpose, Family means the Spouse, the dependent children and dependent parents of the Vice Chairman & Managing Director.

III Club Fees

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

IV Personal Accident Insurance

Premium not to exceed Rs.5000/- per annum.

V Hard and soft furnishing

Reimbursement upto Rs.1,50,000/- p.a for hard furnishing and Rs.1,00,000/- p.a towards soft furnishing.

Perquisites not included in managerial remuneration

1. Contribution to Provident Fund at 12.00% of basic pay, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity as computed in accordance with the rules under the Gratuity Act for the years of service in the Company.
3. Encashment of unavailed Leave .
4. Retirement and other benefits as per rules of the Company.

Others

1. Provisions of Car for use on Company's Business and Telephone at Residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Vice Chairman & Managing Director.
2. Not with standing anything herein, where in any financial year during the currency of the tenure of the Vice Chairman & Managing Director the Company has no profits or its profits are inadequate. The Company will pay his Remuneration by way of Salary and perquisites specified above.

Details of Director seeking appointment at the ensuing Annual General Meeting fixed on 25th September, 2019 as required under clause 49 of the Listing Agreement with Stock Exchange are given hereunder:

EL FORGE LIMITED

Name of Director	Mr. K V Ramachandran
Date of Appointment	01.04.2014
Expertise in specific Functional areas	Vice chairman and Managing Director
Board Membership of other companies as on March 31, 2019.	Wesco Engineers Ltd Coromandel Steels Ltd Sakthi Sugars Ltd
Chairman / Member of the Committees of the Board of other Companies in which he is a Director as on March 31,2019	Audit Committees – Member Stakeholders Relationship committee – Member
No. of Shares held in the company	133166
Relationship between Directors Interse *	Nil
DIN	00322331

Mr.K.V.Ramachandran, Vice Chairman & Managing Director may be deemed to be interested in the Resolution, since it relates to his re-appointment and remuneration.

None of the Directors or Key Managerial Persons and their relatives are considered interested in the resolution. The Board recommends the resolution set out in item no.6 for the approval/ratification of the members as a special resolution.

Item No.5

Mrs. R. Sowmithri was initially appointed Executive Director (Finance) on 30th March,2015. She was reappointed after a term of 3 years in 2018 for a term of one year. The Board vide Resolution dated 11th February, 2019 reappointed her as Executive Director (Finance) for a three year period with effect from 30.03.2019 on the following terms of remuneration in terms of Schedule V to the Companies Act, 2013 and the rules related to Managerial remuneration. This is now placed for shareholders approval.

In terms of Sections 196,197,149,150 &152 Schedule V and other applicable provisions of the Companies Act, 2013, and read with the Rules made there under the remuneration and other terms were fixed as stated below :

I. Salary

A Salary of Rs. 1,50,000/- (Rupees One lakh fifty thousand only) per month in the grade of Rs.1,50,000 -10,000-1,70,000 and a special allowance of Rs.45,000/- (Rupees forty five thousand only) per month.

EL FORGE LIMITED

Commission

Commission based on Net Profits of the Company in a particular year as decided by the Board, which put together with Salary and perquisites shall be subject to the overall ceilings laid down in the Companies Act, 2013 shall be paid.

II. Perquisites

RESIDENCE

- 1) Residential accommodation or in lieu thereof House Rent Allowance at 60% of salary per month. Gas, Electricity and Water shall be valued as per the Income Tax Rules 1962. This shall however be subject to a ceiling of 10% of the Salary.

- 2) **Medical Reimbursement**

Expenses incurred by self and family subject to a ceiling of one month's salary in one year or three months salary over a period of three years including premium for medical insurance.

- 3) **Leave Travel Concession**

For Executive Director and her family amounting to one month's basic salary once in a year

Explanation

For this purpose. Family means the Spouse, the dependent children and dependent parents of the Executive Director.

III Personal Accident Insurance

Premium not to exceed Rs.5000/- per annum.

IV Perquisites not included in managerial remuneration

1. Contribution to Provident Fund at 12.00% of basic pay, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity as computed in accordance with the rules under the Gratuity Act for the years of service in the Company.
3. Encashment of unavailed Leave
4. Retirement and other benefits as per rules of the Company.

EL FORGE LIMITED

Others

1. Provisions of Car for use on Company's Business and Telephone at Residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.
2. Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Executive Director the Company has no profits or its profits are inadequate. The Company will pay her Remuneration by way of Salary and perquisites specified above.

Details of Director seeking appointment at the ensuing Annual General Meeting fixed on 25th September 2018 as required under clause 49 of the Listing Agreement with Stock Exchanges are given hereunder:

Name of Director	Smt. R Sowmithri
Date of Appointment	30.03.2015
Expertise in specific Functional areas	Secretarial and Finance
Board Membership of other companies as on March 31, 2019..	Chendur Forgings Ltd Wesco Engineers Ltd Coromandel Steels Ltd Spheriodal Castings Ltd Vimarsha Property Developers Pvt Ltd
Chairman / Member of the Committees of the Board of other Companies in which she is a Director as on March 31,2019	Nil
No. of Shares held in the Company	400
Relationship between Directors interse *	Nil
DIN	00280988

Mrs. R Sowmithri, Executive Director may be deemed to be interested in the Resolution, since it relates to her re-appointment and remuneration.

None of the Directors or Key Managerial Persons and their relatives are considered interested in the resolution. The Board recommends the resolution set out in item no. 6 for the approval/ratification of the members as a special resoulution.

Place:Chennai

Date:12/08/2019

By Order of the Board

R.Sowmithri

Company Secretary.

EL FORGE LIMITED

REPORT OF THE DIRECTORS

The Directors present the 83rd Annual Report along with the Audited Financial Statements of the Company for the year ended 31st March, 2019.

1. Summarised Financial Results are given below

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	(Rs. in Lakhs)	
Revenue from Operation (incl. excise duty)	4976.55	4310.94
Other Income	8.19	7.05
Profit/(Loss) before Depreciation	24.96	(591.38)
Profit/(Loss) after Depreciation	(636.15)	(1276.75)
Extraordinary Income / Loss (-)	2962.12	113.55
Net Profit/(Loss) after tax	2325.96	(1163.20)

2. Company Performance

During the year, the operations have increased by 15% over the previous year. The commercial vehicle market in India was stable during the year which helped us achieve this growth. The effect of continuous improvement and cost reduction enabled the company to curtail the cash loss situation. During the year the debts due to Asset Reconstruction Company India Limited (ARCIL) was settled in full. A large portion of the dues to Edelweiss Asset Reconstruction Company Limited has been settled during the year. The balance will be settled shortly. The net profit after tax is the net surplus from settlement of debt under one time settlement.

The company maintains its quality of all its products and continues to be a preferred supplier to the customers.

3. Dividend

The Directors have not recommended any dividend for the year under report due to loss incurred.

4. Borrowings

During the year under review the Company has settled the dues to Asset Reconstruction Company India Ltd. With this major portion of the debts have been settled. A small portion of the dues to Edelweiss Asset Reconstruction company has to be settled. Once this amount is settled the company will become a debt-free company, in respect of all bank borrowings.

5. CORPORATE MATTERS

5.01 Human Resources

EL FORGE LIMITED

El Forge has always been a people driven Company and its employees remain its most valuable asset.

Our employees have always extended full cooperation and support during good as well as difficult times, and have unstintingly put their best effects to deliver on all our commitments.

The Human Resources practices at your Company empowers the employees through greater knowledge, opportunity, responsibility, accountability and reward. Emphasis is laid on identifying & nurturing talent. Continuous improvement techniques are followed for betterment of the skills in the organisation by implementing TQM & other training programs and there exists an excellent system of assessment of the employees based on the sound HR practices.

During the year under review there were 163 employees on the rolls of the company.

5.02 Key Managerial Personnel

Mr.K.V.Ramachandran, Vice Chairman & Managing Director, Mrs.R.Sowmithri, ED (Finance) & Secretary and Mr.V.Srinivasan who was appointed the CFO of the Company, within the meaning of Section 2(18) of the Companies Act, 2013 hold the office of Key Managerial Personnel. There were no resignations in Key Management Personnel during the year.

6. Corporate Governance

With reference to Corporate Governance, the Company has complied with all possible requirements of the guidelines as laid out in Clause 49 of the Listing Agreement. Annexure A contains report on corporate governance enclosed herewith.

At present the Company has six directors of which two are Executive Directors and four are non executive.

7. Internal Control System and their adequacy

The Company has adequate system of internal control with reference to the financial as well as non-financial operations. All the transactions are properly authorised, recorded and reported by the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Company ensures proper and adequate systems and procedures commensurate with its size and nature of its business even though there is no internal auditor during the year under report.

8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 relating to Conservation of Energy, technology absorption and foreign exchange earnings and outgo for the financial year 2018-19 are annexed as Annexure B which forms part of this Report.

9. Management Discussion and Analysis

Management Discussion and Analysis report for the year under report as stipulated under Clause 49 of the Listing Agreement in respect of the Stock Exchanges in India, is enclosed herewith (please refer

EL FORGE LIMITED

Annexure C).

10. Research & Development

R&D in El Forge is a continuous process. All efforts in product design and process development are directed at Customer's satisfaction, competitiveness, quality and responsiveness. This includes focus on material wastage reduction by improvement in technology and equipment with major emphasis at the Tool Room for value engineered die design and manufacture. Simultaneous efforts are made at the shop floor to improve manufacturing efficiency to sustain the development efforts. Annexure B to this report contains the details thereof.

11. Industrial Relations

Employees, at all levels, have contributed to the performance of the Company. Your directors place on record the co-operation of employees received during the year under report. The Directors also place on record the unstinted cooperation extended by the staff members during the period under review.

12. Fixed Deposits

The Company has not accepted (or renewed) any fixed deposits during the year under report. The deposits are being repaid to the deposit holders as and when the deposit holders send their Fixed Deposit Receipts issued to them claiming their refund. As on 31st March, 2019, the outstanding deposits amount to Rs.84.95 lakhs.

13. Applicability of Section 197(12) of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

None of the employees come within the purview of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. Accordingly, no disclosure has been made, in the above regard.

14. Directors Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby states and confirms that

- a) In the preparation of Annual Accounts, the applicable accounting standards had been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the Profit or Loss of the Company for that year.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the Annual accounts on a going concern basis

EL FORGE LIMITED

- e) That proper internal financial controls were followed by the Company and that such internal financial controls was adequate and were operating effectively.
- f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

15. Remuneration Policy of the Company

The remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria of determining qualifications, positive attributes, independence of a director and other related matters have been provided in the Corporate Governance report which is attached, herewith.

16. Extract of the Annual Return:

Extract of the Annual Return in the present form is enclosed herewith in Annexure F.

17. Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company engaged the Services of Mrs.B.Venkatalakshmi, Company Secretary in Practice, to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2019.

The Secretarial Audit report (in Form MR-3) is attached as Annexure to this Report. Please refer Annexure G in this report.

18. Related Party Transactions

All transaction entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transaction (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2018-19 which were in conflict with the interest of the Company Suitable disclosures as required under AS 18 have been made in Item No.16 of Note No.3.02 of financial statements. Accordingly there are no transactions that are required to be reported in Form AOC-2 and accordingly AOC-2 has not been attached.

19. Corporate Social Responsibility

Our company does not fall under the criteria laid for Corporate Social Responsibility under section 135 of the Companies Act,2013 and hence the section is not applicable to the Company for the year under report.

20. Particulars of Loans, Guarantees or Investments

Your Company has not made any loan or given any Guarantees or made any investment during the year under Section 186 of the Companies Act, 2013

EL FORGE LIMITED

21. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its powers) Rule 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower and the same is hosted on the Website of the Company. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

22. Statutory Auditors

The Statutory Auditors M/s L.Mukundan & Associates, Chartered Accountants (Firm Registration No.010283S) have been appointed last year to continue for a term of three years from the conclusion of this AGM. Their appointment resolution forms part of the agenda of the notice of the 83rd AGM.

23.Explanation to Auditor's remark

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in practice in their Reports respectively. The Statutory Auditors have drawn attention to some points under “ Emphasis of Matters “ which are dealt with in the notes on accounts.

24. Material changes

There has been no material changes affecting the financial position of the company between 31st March,2019 till the date of the report.

25.Prohibition and redressal of sexual harrasment of women at work place

Pursuant to the new legislation, “ Prevention, Prohibition of and Redressal of Sexual Harrassment of Women at Work place Act,2013” the company has framed a policy on prevention of sexual harrasment at work place. There were no cases reported during the year under review under the policy.

26.Acknowledgements

The Company places on record the co-operation of Bankers, Bank of Baroda, Indus Ind Bank a Asset Reconstruction companies -Asset Reconstruction Company(India) Ltd and Edelweiss Asset Reconstruction Company Ltd. We also thank all our Customers, Suppliers, Employees and others connected with the business for their co-operation. We sincerely thank the shareholders for their support.

Place : Chennai

Date: 30/05/2019

For and on behalf of the Board of Directors

V.SRIKANTH

CHAIRMAN

(DIN 00076856)

EL FORGE LIMITED

ANNEXURE A TO THE DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. Company's philosophy on code of Governance

Name of the Director	Category	Attendance Particulars			Number of other Directorships and Committee Memberships//Chairmanships in other Indian Public Companies		
		Number of Board Meetings	Last AGM	Other Director Ships	Committee Member Ships	Committee Chairman Ships	
		Held	Attended				
Mr.V.Srikanth	Non Executive	6	6	Yes	2	-	-
Mr.K.V.Ramachandran	Executive	6	6	Yes	2	-	-
Mr.V.Ramachandran	Non-Executive & Non-Independent	6	6	Yes	1	-	-
Mrs.R.Sowmithri	Executive	6	5	Yes	5	-	-
Mr. J.Aron Rakkesh	Non Executive & Independent	6	6	NA	2	-	-
Ms.Nivedita Lakshmi Ratan	Non Executive & Independent	6	6	NA	2	-	-

El Forge was founded in 1934 as a Public Limited Company and has been governed on the principle of "Trusteeship". The philosophy of "Trusteeship" as the core value and basis of management, when translated into action is exhibited as 'transparency', 'responsibility' and 'integrity' and behaviour conforming to ethical practices.

This principle inherits through the organization and every employee pledges to abide by them, in order to ensure that highest standards are maintained in the conduct of the organization in its interaction with its stake holders, society and Government.

2. Composition of Board

The Board is comprised of whole time Director–Vice Chairman & Managing Director, the Executive Director (Finance), non executive Chairman, non executive promoter Director and non executive Independent Directors..

EL FORGE LIMITED

During the financial year 2018-2019, Six (6) Board Meetings were held on 13/04/18, 30/05/18, 25/06/18, 14/08/18, 14/11/18 and 11/02/19. Details of Composition of the Board of Directors, Directors' Attendance Records and Directorships are given below

Audit Committee

The Audit Committee was constituted in March 2002. The powers and the role of the Audit Committee are in accordance with Clause 49 II (C) and (D) of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To appraise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussions with statutory auditors and internal auditors on the scope and consent of the audit.
- e) To review the Company's financial and risk management policies.
- f) To make recommendations to the Board on matters relating to the financial management of the Company including Audit Report. During the financial year 2018-2019, four Audit Committee Meetings were held on 30/05/18, 14/08/18, 14/11/18 and 11/02/19.

The Composition of the Audit Committee and details of meetings attended by Directors are given below :

Name of the Directors	Position	Number of Meetings attended during 2018-19	
		Held	Attended
Ms.Nivedita Lakshmi Ratan	Chairman	4	4
Mr.V.Srikanth	Member	4	4
Mr. J. Aron Rakkesh	Member	4	4
Mr.V.Ramachandran	Member	4	4

4. Remuneration of Directors

A remuneration Committee was constituted on 12.06.2004. The broad terms of reference of the Remuneration Committee are as follows:

- a) Review the remuneration of the Executive Chairman and Vice Chairman & Managing Director, executive directors and key management personnel after considering the Company's performance.

EL FORGE LIMITED

- b) Review and recommend payment of commission to the executive Directors or other Directors.
- c) Recommend to the Board, the remuneration including Salary, Perquisites and Commission to be paid to the Wholetime Directors of the Company.

Composition of the Nomination & Remuneration Committee and the details of the meetings attended.

Name of the Directors	Position	Number of meeting attended during 2018-19	
		Held	Attended
Mr.j.Aron Rakkesh	Chairman	1	1
Mr. V.Ramachandran	Member	1	1
Mr. V.Srikanth	Member	1	1
Ms. Nivedita Lakshmi Ratan	Member	1	1

Details of Remuneration paid to Board of Directors

Non-whole time Directors		Whole time Directors			
Name	Sitting Fees	Name	Salary	Perquisites	Total
	(Rs.)		(Rs.)	(Rs.)	(Rs.)
Mr.V.Ramachandran	25000	K.V.Ramachandran	21,60,000	6,39,772	27,99,772
Mr.V.Srikanth	-				
Mrs.Niveditha Lakshmi Rattan	-	R.Sowmithri	15,60,000	1,50,900	17,10,900
Mr.J.Aaron Rakesh	-				
Total	25000				

Service Contracts, Severance Fees and Notice Period :

Period of Contract of Vice Chairman & Managing Director : 3 Years from 01.04.2019;

Period of Contract of Executive Director: 3Years from 30.03.2019.

5. Stakeholders Relationship Committee

The Committee meets at frequent intervals to consider, inter alia share transfers, share holders' complaints etc.

During the Financial Year 2018-19 four Shareholders / Investors Grievance Committee Meetings were held on 30/05/18, 14/08/18, 14/11/18 and 11/02/19.

The Composition of the Investors Grievance Committee and details of the meetings attended by the Directors are given below

EL FORGE LIMITED

1. Stakeholders Relationship Committee

Name of Members	Position	No. of Meetings attended during the year 2018-2019
Mr.J.Aron Rakkesh	Chairman	4
Mr.V.Srikanth	Member	4
Mr. K.V.Ramachandran	Member	4
Mrs. R.Sowmithri	Member	4

2. Share Transfer Committee

Name of Members	Position	No. of Meetings attended during the year 2018-2019
Ms.Nivedita Lakshmi Ratan	Chairman	4
Mr.J.Aron Rakkesh	Member	4
Mr. K.V.Ramachandran	Member	4
Mrs. R.Sowmithri	Member	4

Mrs.R.Sowmithri, the Company Secretary is the Compliance Officer. Shareholders' complaints are attended, immediately, on receipt of complaint, to the satisfaction of the Shareholders.

6. Information placed before the Board of Directors, inter alia, include:

The Board has complete access to any information within the company. The information regularly supplied to the Board of Directors includes:

- I. Annual operating plans and budgets and any updates
- II. Capital Budgets any updates
- III. Annual Accounts, Directors' Report etc.
- IV. Quarterly Results of the Company
- V. Minutes of the meetings of Audit Committee and other Committees of the Board
- VI. The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the Board level.
- VII. Fatal or serious accidents, dangerous occurrences etc.
- VIII. Operational highlights.
- IX. Major investments.

EL FORGE LIMITED

- X. Award of large contracts.
- XI. Disclosure of interest by Directors about Directorship and committee positions occupied by them in other companies.
- XII. Quarterly Report on Foreign exchange exposures.
- XIII. Any significant development in Human Resources / Industries Relations.
- XIV. Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non payment of dividend, delay in transfer of shares etc.,
- XV. Short term investments.
- XVI. Information relating to any legal disputes.
- XVII. Other materially important information.

7. General Body Meetings

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Location of the meeting	Date	Time
2016—17	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 28, 2017	11.30 AM
2017-18	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 27, 2018	11.30AM
2018-19	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 25, 2019	11.30AM

No Special Resolution was required to be passed through postal ballot at any of the above General Meetings last year. This year the Company has not proposed any Special Resolutions requiring Postal Ballot.

8. Subsidiary Companies

The company has no subsidiaries.

EL FORGE LIMITED

9. Disclosures

Details of related party transactions :

There are no materially significant related party transactions which may have potential conflict with the interests of the Company at large during the year under report.

Pecuniary relationship or transactions of the Non-executive Directors

There is no material transaction with any Non- Executive as well as Independent Directors of the company that requires separate disclosure.

Details on the use of proceeds from Public Issues, Rights issues, Preferential Issues etc. During the year there has been no fresh issue of capital.

Details of Information on appointment of new / re-appointment of Directors

During the year the no new Directors have been appointed. The Vice Chairman&Managing Director Mr.K.V.Ramachandran and executive director Mrs.R.Sowmithri has been reappointed for a period of three years and the resolution is placed for the members approval.

Details of Non-compliance, penalties, strictness imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital markets during the last three years.

None during the year. The company's application for revocation of suspension in trading of equity shares is pending with BSE.

10. Secretarial Audit

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, Secretarial Audit was carried out by a qualified practicing Company Secretary on a quarterly basis, to reconcile the total admitted capital with both the depositories and the total issued and listed capital. The total number of shares in physical form and the total number of dematerialized shares held with the depositories were in agreement with the total issued, paid up and listed capital.

11. Means of communication

The quarterly, half-yearly and full year results are published in Trinity Mirror and Makkal Kural The quarterly results are posted on the Web site : <http://www.elforge.com>

12. Management Discussion and Analysis Report – Forms part of the annual report

13. General Shareholders information

Annual General Meeting

Date and Time	: 25th Sep, 2019 at 11.30 AM
Venue	: 1A, Sriperumbudur High Road, Appur Village, Kancheepuram District 603204
Book Closure Date	: 18/09/2019 to 25/09/2019 (both days inclusive)
Cut off date for e-voting	: 17th September, 2019
E-Voting	: 22nd September, 2019 (9.00 am) to 24th September, 2019 (5.00 pm)

EL FORGE LIMITED

b) Financial Calendar

The Financial Year of the Company comprises a period from April to March (12 Months). The results for every quarter beginning from April is declared within 45 days from the end of the quarter and the audited results were declared in May as permitted under the listing agreement.

c) Date of Book Closure

The Directors decided to close the Register of Members from 18th September, 2019 to 25th September, 2019 both days inclusive.

d) Listing on Stock Exchanges

The Company's shares are listed on
BSE

Phiroze Jee Jee Bhoy Towers
Dalal Street, Mumbai 400 001

At present the trading in BSE has been suspended. The company has appealed for revocation of the suspension and is hopeful of getting this completed .

e) Stock Code

BSE – Script Code No.531144

f) Market Price Data

As the trading of shares in BSE has been suspended the details of monthly highest and lowest closing quotations of the equity shares of the Company are not available.

(g) Registrars and Share Transfer Agents

M/s.Integrated Registry Management Services Pvt Ltd,“Kences Towers”, 2nd Floor, No.1, Ramakrishna Street T.Nagar, Chennai 600 017, Phone:044-28140801, Fax : 044 – 28143378, Demat ISIN No. INE 158F03013 INE 158F01017

h) Share Transfer System

Applications for transfer of shares held in Physical form are received at the Registrars and Share Transfer Agents of the Company. The Power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee.

i) Investor Services

Complaint received during the year

Nature of the Complaints	For the Year 2018 - 19	
	Received	Cleared
Relating to Transfer, Transmissions, Dividend, Demat and Remat and Change of Address etc.	0	0

EL FORGE LIMITED

j) Distribution of Shareholdings as on 31st March, 2019

Sl.No	Category	No.of Holders	% of Holders	No.of Shares	% of Shares
1.	Upto 100	5585	56.58	287034	1.41
2	101 – 250	1557	15.77	286546	1.41
3.	251 – 500	1069	10.83	425627	2.09
4.	501 – 1000	642	6.50	520140	2.56
5.	1001 – 5000	693	7.02	1589926	7.82
6.	5000 – 10000	137	1.39	1035861	5.10
7.	10001 & Above	188	1.90	16179170	79.61
Total		9871	100.00	20324304	100.00

k) Pattern of Shareholding as on 31st March, 2019

Sl.No.	Category	No.of Shares	% of Shareholding
1.	Promoters	8273358	40.71
2.	Corporate Bodies	1734330	8.53
3.	Mutual Funds	1605	0.01
4.	Banks	945	0.00
5.	NRI's/Foreign Nationals	191366	0.94
6.	Public	10122700	49.81
	Total	20324304	100.00

13. Address for Correspondence

Plant location :- Given in the first page of Annual Report

<p>To the Company</p> <p>Mrs.R.Sowmithri Compliance Officer and Company Secretary 21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600 018. Ph No. 24334010 Email : edf@elforge.com</p>	<p>To the Registrar & Transfer Agent - for Shares Transfers / Transmissions etc.</p> <p>Mr.K.Suresh Babu Director Integrated Registry Management Services Pvt Ltd, Kences Towers, IInd Floor, 1,Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017. Ph : 28140801 Email : srirams@integratedindia.in</p>
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EL FORGE LIMITED

14. Insider Trading

Pursuant to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a code of conduct for prevention of insider trading and required disclosure practices.

15. Compliance with Non-mandatory Requirements

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement.

- i) The Board: No specific tenure has been specified for the Non Executive Director, Mr. V. Ramachandran.
- ii) Remuneration Committee : Details are given under the heading Remuneration Committee.
- iii) Shareholder Rights - The financial results are also put up on the Company's website.
- iv) Audit Qualification:.

The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

- V. Mechanism for evaluation of non-executive Board Members –The performance evaluation of non-executive members is done by the Board annually based on criteria of attendance and contributions at Board Committee meetings as also role played / contributions other than at meetings.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct.

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement with Stock Exchanges, I hereby confirm that all the Directors of the Company have affirmed compliance to their respective codes of conduct as applicable to them for the year ended 31st March, 2019

Place: Chennai

Date : 30/05/2019

K V RAMACHANDRAN

VICE CHAIRMAN AND MANAGING DIRECTOR

(DIN NO.:00322331)

EL FORGE LIMITED

ANNEXURE B TO THE DIRECTORS' REPORT PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE CONSERVATION OF ENERGY

- | | | |
|-----|---|---|
| 1. | Energy Conservation measure taken | Gas and Power
Consumption are closely
Monitored to conserve energy. |
| 2. | Additional Investments and
Proposal if any being implemented
for reduction of consumption of energy | Nil |
| 3. | Impact of the measures at | |
| (1) | And | Not Applicable |
| (2) | Above for reduction of energy
Consumption and consequent
Impact on the cost of
Production of goods | |

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Sl.No.	RESEARCH AND DEVELOPMENT (R & D)	
1	Specific areas in which R & D carried out by the Company	Research & Development is an ongoing process to improve the quality of end products.
2	Benefits derived as a result of the above R & D	1) Developing new forgings to meet specific requirements.
		2) Reduction in cost and improvement in quality
3	Future plan of action	Continued improvement in quality and productivity
4	Expenditure on R & D	Expenditure on R & D is not directly incurred during the period and hence not ascertainable
	a) Capital	Nil
	b) Recurring	Nil
	c) Total	Nil
	d) Total R & D expenditure as percentage of total turnover	Nil

EL FORGE LIMITED

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation	Continuous interaction with Technology Experts to improve quality, die-life, etc.,
2. Benefits derived as a result of the above efforts Eg. Production Improvement, cost reduction, product development, import substitution etc.,	Reduction in Rejections and improvement in yield.
3. In case of imported Technology (imported during the last three years reckoned from the Beginning.	Not Applicable.

FOREIGN EXCHANGE EARNING AND OUTGO

1. Activities relating to Exports	Overseas Markets are being constantly scanned and Requests for quotations from customers overseas are answered and followed up to obtain orders.
2. Initiatives taken to increase exports and development of new export markets for products and services and export plans.	<ol style="list-style-type: none"> 1. Present and prospective buyers are being invited to see our production and Inspection Facilities. 2. Quality systems are constantly being upgraded to meet international requirements
3. Total Foreign Exchange	
a) Used (Rs.)	Nil
b) Earned (Rs. in Lacs)	108.91

EL FORGE LIMITED

ANNEXURE C TO THE DIRECTORS' REPORT

Management Discussion and Analysis

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and has adopted IN-DAS for the first time in preparing the accounts for the year ended 31st March, 2019. Our Management accepts responsibility for the integrity and objectivity of these financial statements as well as for the various estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

Global Economy

There was growth in the Global Economy in early 2018. Globally most countries benefitted from lower oil price that declined about \$20 over a period of six months ending early February 2019 helping to contain inflation. Later in 2018 and early 2019 the softening of industrial activity in China, trade tension between USA and China and tightening credit policies impacted the growth. The global growth in 2019 is expected to be slow as the growth in the United State is expected to decline.

Indian Economy

India continuous to be one of the fastest growing economies, least affected by the global turmoil. The economic reforms, favourable policies and strong fundamentals support the growth of the Indian economy. The IMF reports also confirm the growth of India. The fiscal and monetary policy in India will improve liquidity and provide growth impetus to the economy.

Indian Auto Industry

The overall auto industry scenario looking weak in the short term. The slump in automobile demand and sales in the country has reached its nadir now. Shut down, layoff and restricted working days by the Auto majors like Tata Motors, Mahindra & Mahindra Ltd indicates hard days ahead for the industry.

The transformation in the global automobile sector which is shifting to CASE mobility or connected, autonomous, shared Electric Vehicles have also affected the auto industry in india.

However, going forward the changing automobile industry is likely to offer immense opportunities in India if india takes advantages and responds quickly to the change and build fresh strategies. The Indian Auto Industry recorded a moderate growth of 5% in financial tear 2019 the slowest in last four year due to slow down in sales in the last quarter.

India is expected to be the third largest player in passenger vehicle market by 2021 supported by Government efforts and policies.

EL FORGE LIMITED

Opportunities & Threats

The state- of- the- Art shop is well equipped and quality certifications are also in place. This is a positive factor and has attracted major global auto manufacturers and Tier one giants. The order book continues to be encouraging and the factory being in the Auto belt in Chennai has a locational advantage in its potential for new business.

Fluctuating steel prices, rising fuel and power costs and increase in virtually every input costs are a threat to the business.

Risk Management

Managing foreign exchange inflows is very important for the company. Our Company sells into both the export market and the domestic market. Our domestic customers in turn sell to their overseas Customers in Europe, America and China. The wide market reach, acts as are insulation from the local vagaries which will otherwise make it dependent on the economies of a single country. Depending on the situation the company takes appropriate cover to safeguard the values.

Commodity Price Risk

The world is now facing an economic meltdown with metallics and steel prices spirally downwards. The Chinese slowdown has depressed the steel markets but the Indian economy has been resistant to global events. Fluctuation in steel prices and other input costs are being dealt with on a case to case basis depending on customers demands on these changes.

EL FORGE LIMITED

Financial Review

Summary of Statement of Profit and Loss Account is given below

Particulars	2018-19	2017-18	Increase / (Decrease) in%
Income	Rs. in Lacs		
Revenue from operations (incl.excise duty upto 30.06.17)	4976.55	4310.94	15.44%
Other income	8.19	7.05	16.22%
Total	4984.74	4317.99	15.44%
Expenditure			
Cost of materials and services consumed	3000.00	2601.03	15.34%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(24.09)	24.40	(198.74%)
Total	2975.91	2625.43	13.35%
Excise Duty on sale of goods upto 30.06.17	0.00	65.12	(100.00%)
Employee benefits expense	787.95	737.22	6.88%
Finance costs	61.49	340.22	(81.93%)
Depreciation and amortisation expense	661.12	685.37	(3.54%)
Other expenses	1134.43	1141.38	(0.61%)
Total	5620.90	5594.74	0.47%
Profit/ (Loss) before exchange gain/ (loss) on swap contracts, exceptional items and tax	(636.16)	(1276.75)	(50.17%)
Exchange gain/ (loss) on swap contracts	0.00	0.00	
Profit/ (Loss) before exceptional items and tax	(636.16)	(1276.75)	(50.17%)
Exceptional Items [Income / (Expenses)]	2962.12	113.55	2708.53%
Profit/ (Loss) before extraordinary items and tax	2325.96	(1163.20)	299.96%
Extraordinary Items	0.00	0.00	
Profit/ (Loss) before tax	2325.96	(1163.20)	299.96%
Tax expense:			
(a) Current tax expense	0.00	0.00	
(b) (Less): MAT credit	0.00	0.00	
(c) Short / (Excess) provision for tax relating to prior years	0.00	0.00	
(d) Net current tax expense	0.00	0.00	
(e) Deferred Tax	0.00	0.00	
Tax expense	0.00	0.00	
Profit for the year from continuing operations	2325.96	(1163.20)	
Basic Earning per Share	11.44	(5.72)	
Face Value (Rs.).	10	10	

EL FORGE LIMITED

Revenues

The revenues are from the sale of forgings. During the year there has not been any income from sale of land.

Costs

Material Costs : The material cost for the year was 61.52% of the sale value compared to 60.33% in the previous period. This is due to the product mix during the year.

Staff Cost : There is a marginal increase in the staff costs in order to maintain and retain talent with the company.

Other expenses : The management has made constant efforts to bring down costs and as a result other costs have also dropped during the year compared to the previous year.

Depreciation :

The depreciation has been charged according to the provisions of the companies Act, 2013

Summary of Balance Sheet is given below :

Particulars	As At 31/03/2019	As at 31/03/2018	Inc/(Dec) %
Source of Funds	(Rs. in Lakhs)		
Share holders Funds	(5285.65)	(7611.61)	30.56
Non current Liabilities	2614.55	4031.01	(35.14)
Current Liabilities	11036.88	12889.57	(14.37)
Total	8365.78	9308.97	(10.13)
Application of Funds			
Fixed Assets	4404.21	5011.48	(12.12)
Investments	373.83	373.83	0.00
Loans & other Non Current Assets	99.34	47.38	109.67
Current Assets	3488.4	3876.28	(10.01)
Total	8365.78	9308.97	(10.13)

EL FORGE LIMITED

Summary of Cash Flow Sheet is given below :

Particulars	2018-19	2017-18
Profit / Loss (-) for the year	2325.96	(1163.20)
Operating profit before working capital changes	86.23	(256.12)
Cash generated from operations	2970.44	(1131.76)
Income tax paid	0.00	0.00
Net cash flow from operating activities [A]	2970.44	(1131.76)
Net cash flow from investing activities [B]	(103.28)	198.52
Net cash flow (used in) financing activities [C]	(2852.70)	950.57
Net cash Inflow [A+B+C]	14.46	17.33
Opening cash and cash equivalents	22.62	5.29
Closing cash and cash equivalents*	37.08	22.62

Human Resources

El Forge has always been a people driven Company and its employees remain its most valuable asset. Our employees have always extended full cooperation and support in good as well as difficult times, and have unstintingly helped to deliver on all our commitments. The Human Resources practices at your Company empowers the employees through greater knowledge, opportunity, responsibility, accountability and reward. Emphasis is laid on identifying & nurturing talent. Continuous improvement techniques are followed for betterment of the skills in the organisation by implementing TQM & other training programs and there exists an excellent system of assessment of the employees based on the sound HR practices.

During the year under review, there were 163 employees on the rolls of the company.

Foreign Exchange Risk

The Company is exposed to foreign exchange risks on account of its exports. Your Company has formulated a hedging strategy for foreign currency exposures.

Outlook

We believe that global opportunities for Companies like us will accrue due to the cost of manufacture being prohibitive in the West. While we are aware of the risks, we are confident of improving the performance through appropriate marketing programs. We propose to continue developing capabilities to be competitive and cater to the global supply chain.

Internal control systems and their adequacy

The Company has an internal control system that is geared towards achieving efficiency in operations, optimum utilisation of resources, effective monitoring and compliance with all

EL FORGE LIMITED

applicable laws and regulations. The Company has in place a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and stated properly and applicable statutes and Corporate policies are duly complied with.

Cautionary Statement

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The management shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Prior written permission of the Company may be obtained for furnishing this information to any person

ANNEXURE D TO THE DIRECTORS' REPORT CERTIFICATE BY CHIEF FINANCIAL OFFICER OF THE COMPANY

We hereby certify that for the year ended 31st March, 2019 on the basis of the review of the financial statements and the cash flow statements and the best of our knowledge and belief.

1. These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
3. These are to the best of our knowledge and belief, no transactions entered into by the Company during year 2018-19 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company
5. We further certify that
 - a) There has been no significant changes in internal control over financial reporting during the year.
 - b) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting and
 - c) There has not been any significant change in Accounting policies during the year requiring disclosure in notes to the financial statements.

Place: Chennai
Date: 30/05/2019

K V RAMACHANDRAN
VICE CHAIRMAN &
MANGING DIRECTOR

V SRINIVASAN
CHIEF FINANCIAL OFFICER

EL FORGE LIMITED

ANNEXURE E

Auditors' certificate on Corporate Governance

To the Members of El Forge Limited

1. Certificate, Company, Financial Year, etc.

This certificate is issued in accordance with the terms of our engagement with El Forge Limited ('the Company'). We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paragraph C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

2. Managements' responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

3. Auditors' responsibility

- (1) Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- (2) We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- (3) We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

EL FORGE LIMITED

- (4) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

4. Opinion

- (1) Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to
- (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
- 2) We 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.

For L.MUKUNDAN & ASSOCIATES

Chartered Accountants

Regn No. of the Firm: 010283S

L.Mukundan

Partner

Mno.028368

Place: Chennai

Date: 30.05.2019

EL FORGE LIMITED

ANNEXURE F TO THE DIRECTORS' REPORT

Form No. MGT 9

Extract of ANNUAL RETURN

As on the Financial Year Ended 31.03.2019

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(3) of the Companies Management and Administration) Rules 2014

I. Registration and Other details

Corporate Identify No.(CIN) : L34103TN1934PLC000669
Registration Date : 18/07/1934
Name of the Company : El Forge Limited
Category / Sub-category of the Co. : Company Limited by shares /
Indian-Non-Government Co.
Address of the Registered Office : No.1A, Sriperumbudur High Road,
(Via) Singaperumal Koil,
Appur Village,Kattangulathur Onrium,
Kancheepuram Dist. Pin Code: 603204
Phone No.: 044-47112500
Fax No.: 044-47112523
Email : EDF@ELFORGE.COM
Website: WWW.ELFORGE.COM
Whether listed Company Yes/No. : Yes

II. Principal Business Activities of the Company

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1.	Manufacture of Steel Forgings	--	100%
2.	Land Development	--	

III. Particulars of Holding, Subsidiary or Associate companies

Sr. No.	Name of th Co.	Address of the Co.	CIN	Holding / Subsidiary Associate Company	% of Shares	Applicable Section under Companies Act, 2013
NIL	NIL	NIL	NIL	NIL	NIL	NIL

EL FORGE LIMITED

Category of Shareholder	NO OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	% CHANGE DURING THE YEAR
SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
Indian									
Individual/Hindu Undivided Family	1199857	120995	1320852	6.50	1199857	8495	1208352	5.95	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Government	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	7065006	0	7065006	34.76	7065006	0	7065006	34.76	0.00
Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL A(1)	8264863	120995	8385858	41.26	8264863	8495	8273358	40.71	0.55
Foreign									
Individual (Non resident/foreign)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL A(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	8264863	120995	8385858	41.26	8264863	8495	8273358	40.71	0.55
Public Shareholding									
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Mutual funds/UTI	0	1605	1605	0.01	0	1605	1605	0.01	0.00
Financial Institutions/Banks	0	945	945	0.00	0	945	945	0.00	0.00

EL FORGE LIMITED

Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)									
SUB TOTAL B(1)	0	2550	2550	0.01	0	2550	2550	0.01	0.00
Non-Institutions									
Bodies Corporate (Indian/Foreign/Overseas)	1694718	55441	1750159	8.61	1681231	53141	1734372	8.53	0.00
Individuals (Resident/NRI/ Foreign National)	0	191366	191366	0.94	0	191366	191366	0.94	0.00
Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	3544206	349577	3893783	19.71	3583947	445450	4029397	19.82	0.00
Individual shareholders holding Nominal share Capital above Rs.1 Lakh	6062581	25293	6087874	29.96	6062581	25293	6087874	29.96	0.00
Any other (specify)	12194520	12714	0.06	4867	520	5387	0.03	0.00	
SUB TOTAL B(2)	11313699	622197	11935896	59.28	11332626	715770	12048396	59.28	0.00
Total Public Share Holding (B)=B(1)+B(2)	11313699	624747	11938446	59.30	11332626	718320	12050946	59.29	-0.01
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	19578562	745742	20324304	100.00	19597489	726815	20324304	100.00	0.00

EL FORGE LIMITED

I. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in share holding during the Year
		No.of Shares	% of total shares of the Co. to total shares	% of shares pledged /- Encumbered	No.of Shares	% of total shares of the Co. to total shares	% of shares pledged /- Encumbered	
1	Chendur Forgings Ltd	7065006	34.76	98.98	7065006	34.76	79.16	Nil
2	Srikanth V	522202	2.57	100.00	522202	2.57	100.00	Nil
3	V.Ramachandran	331720	1.63	0.00	331720	1.63	0.00	Nil
4	K.V.Ramachandran	133166	0.66	100.00	133166	0.66	100.00	Nil
5	V.Subha	113578	0.56	0.00	113578	0.56	0.00	Nil
6	Chitra Venkataraman	66450	0.33	86.92	66450	0.33	86.92	Nil
7	K.V.Srikanth	12500	0.06	0.00	12500	0.06	0.00	Nil
8	P.L.Reddy	8100	0.04	0.00	8100	0.04	0.00	Nil
9	V.Balu	6708	0.03	0.00	6708	0.03	0.00	Nil
10	Nandini Ramachandran	4000	0.02	0.00	4000	0.02	0.00	Nil
11	Nandini Srikanth	3277	0.02	0.00	3277	0.02	0.00	Nil
12	Ananya Srikanth	3195	0.02	0.00	3195	0.02	0.00	Nil
13	V Jayalakshmi	1169	0.01	0.00	1169	0.01	0.00	Nil
14	Rohini Ramasamy	1300	0.01	0.00	1300	0.01	0.00	Nil
15	R.Visweswaran	487	0	0.00	487	0.00	0.00	Nil
16	Srihari K.R.	300	0	0.00	300	0.00	0.00	Nil
17	Manasvini K.R.	200	0	0.00	200	0.00	0.00	Nil
		8273358	40.71	91.88	8273358	40.71	92.68	Nil

(ii) Change in Promoters Shareholding

Sl.No.	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	No.of Shares	% of total shares of the Company.	No.of shares	% of total shares of the Company
	Nil	Nil	Nil	Nil

EL FORGE LIMITED

(iii) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRS)

Sl.No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative share-Holding during the year	
		No.of Shares	% of total shares of the Co.	No.of Shares	% of total shares of the Co.
1.	Prime Broking Co India Ltd	1437277	7.07	1437277	7.01
2.	Indira Vasudevan	750000	3.69	750000	3.69
3.	Tumpudi Muralidhar Bhagwat	446100	2.19	446100	2.19
4.	N. Jayakumar	289735	1.42	289735	1.42
5.	Snehalatha Singhi	207336	1.02	207336	1.02
6.	Ramasubramanian S	200200	0.99	200200	0.99
7.	Jyoti Hareesh Shah	200000	0.98	200000	0.98
8.	Dixit Gunvanthri Shah	200000	0.98	200000	0.98
9.	Philip Samuel	159761	0.79	159761	0.79
10.	Madhu Vadera Jayakumar	158400	0.78	158400	0.78
11.	Bhavan Govindbhai Desai	117335	0.58	117335	0.58
12.	Charu D Shah	115050	0.57	115050	0.57
13.	Chitra Venkatanathan	101298	0.50	101298	0.50
14.	Mukund srinath	101000	0.50	101000	0.50

EL FORGE LIMITED

(iv) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	For each of the Directors of the Company and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of Shares	% of total Shares of the co	No.of Shares	% of total Shares of the Co.
	Directors				
1	Mr.V.Srikanth Chairman (Non Executive) At the beginning of the year	522202	2.57	522202	2.57
	Datewise increase in shareholding during	Nil	Nil	Nil	Nil
	the year Acquisition of shares At the end of the year	522202	2.57	522202	2.57
2.	Mr.K.V.Ramachandran (Vice Chairman & Managing Director) At the beginning of the year	133166	0.66	133166	0.66
	Date wise increase in shareholding during the year	Nil	Nil	Nil	Nil
	Acquisition of shares At the end of the year	133166	0.66	133166	0.66
3.	Mr.V.Ramachandran Director (Non Executive) At the beginning of the year	331720	0.56	331720	0.56
	Datewise increase in shareholding during the year Acquisition of shares	Nil	Nil	Nil	Nil
	At the end of the year	331720	0.56	331720	0.56

EL FORGE LIMITED

(v) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Mr.K.V.Ramachandran, Vice Chairman & Managing Director & Key Managerial Personnel			
Sl.No.	Particulars of Remuneration	K.V.Ramachandran	R.Sowmithri
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	21,60,000.00	15,60,000.00
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1976	6,39,772.00	1,50,900.00
2.	Commission Performance Bonus Long Term Incentive Plan (LTIP)	-	-
3.	Other – Retirement Benefits		
	Total	27,99,772.00	17,10,900.00
	Ceiling as per the Act	% of the Net Profit	NA

B. Remuneration to Other Directors

I. Non Executive Directors

Particulars of Remuneration	Mr.V.Srikanth	Mr.V.Ramachandran	Total Amount
Fee for attending Board Committee Meetings	Nil	Rs.25,000	Rs.25,000
Commission	Nil	Nil	Nil
Others please specify (Conveyance)	Nil	Nil	Nil

II. Penalties / Punishment / Compounding of offences

Type	Section of Companies Act	Brief Description	Details of penalty Punishment / Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (Give details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

EL FORGE LIMITED

Form No.,MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

**Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014
and Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements)
Regulations 2015.**

To
The Members
El Forge Limited
21C, A.R.K.Colony
Eldams Road
Alwarpet, Chennai 600018

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate practices by M/s.El Forge Limited, CIN L34103TN1934PLC000669 (“the Company”) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, I the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of

- I. The Companies Act, 2013(the Act) and the rules made thereon;
- II. The Companies Act, 1956 (to the extent applicable);
- III. The Securities Contracts(Regulation)Act,1956 (“SCRA”) and the rules made there under;
- IV. The Depositories Act,1996 and the Regulations and Bye-laws framed there under;
- V. Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VI. The Following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
- A. The Securities and Exchange Board of India (SubstantialAcquisition of Shares and Takeovers) Regulations, 2011.
- B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
- C. The Securities an Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993 regarding the CompaniesAct and dealing with client;
- D. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regula-

EL FORGE LIMITED

- tions 2015;
- E. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations.
- VII. We are informed that the Company, during the year, was not required to comply with the following regulations, and consequently not required to maintain any books, papers, minute books and other records or other records or file any forms/returns under:
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 1999
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- VIII. Based on the study of the systems and processes in place and a review of reports of (1) the heads of the Departments; (2) Occupier/Manager of the Factories located in Appur (3) the compliance reports made by the Functional heads of various departments which are submitted to the Board of Directors of the Company; (4) a test check on the licences and returns made available on other applicable laws. I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them.
- Motor Vehicles Act, 1988
 - The Explosive Act, 1884,
 - The Petroleum Act, 1934
 - The Environment (Protection) Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - The Air (Prevention and Control of Pollution) Act, 1981
 - Factories Act, 1948
 - Industrial Disputes Act, 1947
 - The Payment of Wages Act, 1936
 - The minimum Wages Act, 1948
 - Employees \ State Insurance Act, 1948
 - The Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1965
 - The Payment of Gratuity Act, 1972
 - The Contract Labour (Regulation & Abolition) Act, 1972
 - The Maternity Benefit Act, 1961
 - The Child Labour (Prohibition & Regulation) Act, 1986
 - The Industrial Employment (Standing Order) Act, 1946.
 - The Employees Compensation Act, 1923.
 - The Apprentices Act, 1961
 - Equal Remuneration Act, 1976
 - The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

EL FORGE LIMITED

The Building and other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996.

- Conferment of Permanent Status Act, 1981
- The Municipality/Local Acts.
- The Public Liability Insurance Act, 1991
- Indian Electricity Act, 2003
- The Energy conservation Act, 2001
- The Environment Impact Assessment Notification, 2006
- The Inflammable Substance Act, 1952
- The Legal Metrology Act, 2009
- The Coastal Regulation Zone Notification, 2011

I have also examined compliance with the applicable clauses of the following

- I. Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and to ensure compliance with applicable laws, rules and regulations and guidelines.

Date: 30.05.2019

Place : Chennai

Name of Company Secretary in Practice : B. Venkatalakshmi

ACS/FCS No. 1005

CP No. 677

Note:

This report is to be read with our letter of even date which is annexed Annexure A and forms an integral part of this report.

EL FORGE LIMITED

ANNEXURE – A

To
The Members
EL FORGE LIMITED

1A, Sriperumbudur High Road (via) Singaperumal Koil Appur Village, Kattangulathur Onrium,
Kancheepuram Dist., PIN 603 204.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processess as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required. I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Complaine of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 30.05.2019

Place : Chennai

Name of Company Secretary in Practice : B. Venkatalakshmi

ACS/FCS No. 1005

CP No. 677

EL FORGE LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
EL FORGE LIMITED

1A, Sriperumbudur High Road (via) Singaperumal Koil Appur Village, Kattangulathur Onrium, Kancheepuram Dist., PIN 603 204.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of EL FORGE LIMITED having CIN L34103TN1934PLC000669 and having registered office at “1A, Sriperumbudur High Road (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram Dist., PIN 603 204. (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
NA	NA	NA	NA

Ensuring the eligibility of for the appointment / continuity of ever director on the board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 30.05.2019

Place : Chennai

Name of Company Secretary in Practice : B. Venkatalakshmi

ACS/FCS No. 1005

CP No. 677

EL FORGE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of El Forge Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of El Forge Limited (“the Company”), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of account and explanations provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Emphasis of Matters

Without qualifying our opinion, we draw the attention to the following

- Sl.no.5, namely, Miscellaneous Expenditure, in Notes on Standalone Ind AS financial statements, relating to Other Information;
- Sl.no.6, namely Non Provision for diminution in the Value of Investments, in the Standalone Ind AS financial statements, relating to Other Information;

EL FORGE LIMITED

- Sln0.9, namely Non Payment of Group Gratuity Fund, in the Standalone Ind AS financial statements, relating to Other Information;
- Sln0.10, namely Non Disclosure of details under Employees benefit, in the Standalone Ind AS financial statements, relating to Other Information;
- Sln0.11, namely Penalty and Interest, in the Standalone Ind AS financial statements, relating to Other Information;
- Sln0.12, namely Pending Litigation, in the Standalone Ind AS financial statements, relating to Other Information;
- Sln0.14, namely Assets Reconstruction Company, in the Standalone Ind AS financial statements, relating to Other Information;

Our opinion is not qualified in respect of these matters.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EL FORGE LIMITED

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters if they are materially significant in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EL FORGE LIMITED

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The standalone financial statements dealt with by this report are in agreement with the books of account;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of Pending Litigations on its financial position in its Standalone Ind AS financial statements – Refer item no.12 of Note No.3.02 to the Standalone Ind AS financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. We draw your attention to item no.13 of Note No.3.02 to the Financial statements, relating to money that are required to be transferred to the Investor Education and Protection Fund by the Company.

For L Mukundan and Associates
Chartered Accountants
Firm Registration No: 010283S

Place: Chennai
Date: 30.05.2019

L Mukundan
Partner
Membership No.204372

EL FORGE LIMITED

Annexure – A to the Independent Auditor’s Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of 143.

The annexure referred to in Para under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of EL FORGE LIMITED of even date:

1. In respect of company’s fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanation given to us, all the fixed assets have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of freehold land disclosed as fixed assets in the financial statement whose title deeds have been pledged as security for loans, are held in the name of the Company. but it has been explained that the title deeds of the immovable property have been mortgaged with the Banks/Financial Institutions, etc.,(or other Agencies, namely Assets Reconstruction Company, through assignment in terms of under Securitization and reconstruction of financial assets and enforcement of Security Interest Act, 2002) for securing the borrowings and loan raised by the Company; accordingly, the same was not in the possession of the Company.
2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, Clause 3 (iii) of the Order is not applicable to the Company.
4. Relating to loans, investments, guarantees, and security
 - a. Compliance of Section 185 of the Act (Loan to directors, etc.):
 - i. Based on verification, as per the information and explanations given to us, the Company has not given any loan to any directors of the company.
 - ii. Accordingly, we have not made any observation on the compliance of the aforesaid section.
 - b. Compliance of Section 186 of the Act 2013 (Loans, investments, guarantees, and security)
 - i. Relating to the Current Financial Year:

EL FORGE LIMITED

- A. The Company has not (i) given any loan to any person or other body corporate, (ii) given any guarantee or provide security in connection with a loan to any other body-corporate or person, and (iii) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, during the year;
- B. In view of the above, the provisions of section 186 of the Act are not applicable to the Company for the year under report; accordingly, we have not made any observation on the compliance of the aforesaid section.
5. Relating to Deposits
- a. In our opinion and according to the information and explanations given to us, the Company has accepted or renewed deposit from the public to which the directives issued by the Reserve bank of India, provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies Acceptance of Deposits Rules, 1975 are applicable.
- b. The company has paid all the fixed deposits which have been matured and claimed; but the company has not paid the Fixed Deposits matured but not claimed. The amount of such unclaimed deposits works out to Rs 84.95 Lakhs, as at 31-03-2019; since the amount is due for payment the same has been included and or shown under the under the grouping Current Liabilities in the Balance Sheet.
- c. The company has not made any amount as are required to be kept as liquid assets in respect of public deposit. Since they are due now and not going to mature in the ensuing financial year.
- d. It has been explained to us that no order (not the CARO-Order, referred by us) has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal; accordingly, the remaining part of the sub-clause of the aforesaid Clause of the Order, namely, "Whether the same (order) has been complied with or not" is not applicable for the financial year under report.
- e. As required by Paragraph 4 of the order, we give reason for our unfavorable or qualified remarks (Answers), as follows:
The company has not repaid the amount of deposits outstanding and became due, but remained unclaimed. Hence, we have qualified the same together with the amount remaining unpaid.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub Section (1) of section 148 of the Act, 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 cost records with a view to determine whether they are accurate or complete.
7. Relating to Statutory Dues
- a. As per the records examined by us, the company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax etc., with the appropriate authorities. As per the records examined by us, an amount of Rs. 378.55 Lakhs has been outstanding towards statutory dues, as at the last day of the financial year under report, for a period of more than six months from the date they became payable.

EL FORGE LIMITED

- b. As required by Paragraph 4 of the order, we give reason for our unfavorable or qualified remarks (Answers):
- c. Since the company has not paid the undisputed statutory dues, even though they are due, we have qualified the same together with the amount, as per the aforesaid clause of the Order.
- d. As at the end of the financial period under report, no undisputed amount of income tax / sales tax / Wealth tax / Service Tax / Custom duty / Excise duty / Cess has been outstanding except those, given below:

Sl. No.	Nature of the Statue	Nature of the dues	Amount (Rs. In Lacs)	Year to which the amounts relates	Forum where dispute is pending
1	ESI	ESI contribution	0.77	Year – 2001	Employee Insurance court, Chennai
2	Income Tax	Income Tax Demand	132.74	Assessment Year 2007-08	CIT Appeals, Chennai
3	Service Tax	Service Tax Demand	4.89	2006-08 to 2008-09	Commissioner Appeals of Central Excise & Service Tax, Chennai
4	The Central Excise	Excise Demand	1.47	2003-04 to 2006-07	Commissioner of Central Excise Chennai IV
5	The Central Excise	Excise Demand	1.72	2002 to 2005	Commissionerate Customs, Excise and Service Tax
6	The Central Excise	Excise Demand	4.86	2008-09 to 2012-13	Appellate Tribunal Additional Commissioner of Central Excise Div. appeal Chennai III
7	The Central Excise	Excise Demand	8.49	2007-08	Assistance commissioner of Central Excise Chennai III

8. Relating to Repayment of Loans

- a. The Company has not borrowed amount from bank (No loan has been obtained from financial institution, government or debenture holders), during the year under report.
- b. During the earlier years, the company has borrowed money, both Long Term and Short Term, from a few banks, under consortium. The company has repaid the amount to the bank and amount outstanding with the banks as at 31-03-2019 is Rs. Nil. Further we draw your attention to Item no.14 of Note no. 3.02 to Financial Statements.

EL FORGE LIMITED

- c. Accordingly, the remaining part of the Clause, relating to reporting of the period and the amount of default (lender wise) is not applicable to the company for the year report.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under Clause 3 (ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit and accordingly, we have not made any observation, relating to the above
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. Nidhi Company
 - a. In our opinion, the Company is not carrying out any activities resulting in Nidhi, accordingly reporting of certain matters, under the clause, namely, “(01) the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet, (02) compliance with the maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability”, are not applicable to company for the financial year under report.
 - b. In view of the above, we have not reported the details of default reason delay and subsequent rectification, if any.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards and are on arm’s length basis.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For L Mukundan and Associates
Chartered Accountants
Firm Registration No: 010283S

Place: Chennai
Date: 30.05.2019

L Mukundan
Partner
Membership No.204372

EL FORGE LIMITED

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 1(e) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of EL FORGE LIMITED of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of EL FORGE LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting (IFCoFR) criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and pro-

EL FORGE LIMITED

cedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For L Mukundan and Associates
Chartered Accountants
Firm Registration No: 010283S

Place: Chennai
Date: 30.05.2019

L Mukundan
Partner
Membership No. 204372

EL FORGE LIMITED

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
ASSETS			
Non-current assets			
Property, plant and equipment	1.01	4101.93	4709.20
Capital work-in-progress	1.01	302.28	302.28
Financial Assets			
(i) Investments	1.02	373.83	373.83
(ii) Others	1.03	89.62	39.97
Other non-current assets	1.04	9.72	7.41
Sub-Total		4877.38	5432.69
Current assets			
Inventories	1.05	1551.62	1535.77
Financial Assets			
(i) Investments	1.02	0.00	0.00
(ii) Trade Receivables	1.06	465.71	448.15
(iii) Cash and cash equivalents	1.07	37.08	22.62
Other Current Assets	1.08	1433.99	1869.74
Sub-Total		3488.40	3876.28
Total Assets		8365.78	9308.97
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.09	2032.43	2032.43
Other Equity	1.10	(7318.08)	(9644.04)
		(5285.65)	(7611.61)
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	1.11	2614.55	4031.01
Current liabilities			
Financial Liabilities			
(i) Borrowings	1.12	7907.41	9282.17
(ii) Trade Payables	1.13		
a) Total Outstanding dues to Micro Enterprises and Small Enterprises		0.00	0.00
b) Total Outstanding dues of creditor other than micro enterprises and small enterprises		2281.78	2554.32
(iii) Other financial liabilities	1.14	531.93	517.68
Other current liabilities	1.15	124.83	342.35
Provisions	1.16	178.36	170.48
Current Tax Liabilities (Net)	1.17	12.57	22.57
		11036.88	12889.57
Total Equity and Liabilities		8365.78	9308.97

For significant accounting policies and other information, please refer Statement of Profit & Loss

As per our annexed report

For L. Mukundan and Associates

Chartered Accountants

Reg No. of the Firm: 010283S

(L. Mukundan)

Partner

MNo: 204372

V. SRINIVASAN

Chief Financial Officer

Place: Chennai

Date: 30.05.2019

On behalf of Board

V. SRIKANTH (DIN 00076856)

Chairman

K. V. RAMACHANDRAN (DIN: 00322331)

Vice Chairman & Managing Director

R. SOWMITHRI (DIN 00280988)

Executive Director & Company Secretary

Place: Chennai

Date: 30.05.2019

EL FORGE LIMITED

Statement of profit or loss for the year ended March 31, 2019

Particulars	Note. No	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
Income			
Revenue from operations*	2.01	4976.55	4310.94
Other income	2.02	8.19	7.05
Total Income		4984.74	4317.99
Expenses			
Cost of materials and services consumed	2.03	3000.00	2601.03
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.04	(24.09)	24.40
		2975.91	2625.43
Excise Duty on sale of goods*		0.00	65.12
Employee benefits expense	2.05	787.95	737.22
Finance costs	2.06	61.49	340.22
Depreciation and amortisation expense	2.07	661.12	685.37
Other expenses	2.08	1134.43	1141.38
Total Expenses		5620.90	5594.74
Profit/ (Loss) before exchange gain/ (loss) on swap contracts, exceptional items and tax		(636.16)	(1276.75)
Exchange gain/ (loss) on swap contracts		0.00	0.00
Profit/ (Loss) before exceptional items and tax		(636.16)	(1276.75)
Exceptional Items [Income / (Expenses)]	2.09	2962.12	113.55
Profit/ (Loss) before extraordinary items and tax		2325.96	(1163.20)
Extraordinary Items		0.00	0.00
Profit/ (Loss) before tax		2325.96	(1163.20)
Tax expense:			
(a) Current tax expense		0.00	0.00
(b) (Less): MAT credit		0.00	0.00
(c) Short / (Excess) provision for tax relating to prior years		0.00	0.00
(d) Net current tax expense		0.00	0.00
(e) Deferred Tax		0.00	0.00
Tax expense		0.00	0.00
Profit for the year from continuing operations		2325.96	(1163.20)
Tax Expense of discontinued operations		0.00	0.00
Profit for the year from discontinued operations		0.00	0.00
Net profit/(Loss) for the period		2325.96	(1163.20)
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
B (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to Profit or Loss		0.00	0.00
Total Other Comprehensive Income / Loss (-)		0.00	0.00
Total Comprehensive Income / Loss (-)		2325.96	(1163.20)
Earning per equity share (for discontinued & continuing operation)			
(1) Basic (in Rs.)		11.44	(5.72)
(2) Diluted (in Rs.)		11.44	(5.72)

For significant accounting policies and other information, please refer Statement of Profit & Loss

As per our annexed report
For L Mukundan and Associates
Chartered Accountants
Reg No. of the Firm: 010283S
(L Mukundan)
Partner
MNo: 204372
V. SRINIVASAN
Chief Financial Officer
Place: Chennai
Date:30.05.2019

On behalf of Board
V. SRIKANTH (DIN 00076856)
Chairman

K. V. RAMACHANDRAN (DIN: 00322331)
Vice Chairman & Managing Director

R. SOWMITHRI (DIN 00280988)
Executive Director & Company Secretary
Place:Chennai
Date:30.05.2019

EL FORGE LIMITED

Statement of changes in Equity for the Year ended March 31, 2019

A. Equity Share Capital

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	2,032.43	2,032.43
Change in Equity Share Capital during the year	-	-
Balance at the end of the year	2,032.43	2,032.43

B. Other Equity

Particulars	Reserves and surplus			Other Components of Equity		Total
	Securities Premium	Capital Reserve	Retained earnings	Additional Paid in Equity	Remeasurements of net defined benefit liability /asset	
2017-18						
Opening balance as at April 1, 2017 - (A)	2,263.97	1,219.03	(11,963.85)			(8,480.84)
Profit/(Loss) for the year			(1,163.20)			(1,163.20)
Other comprehensive income						
Total comprehensive income for the year 2017-18 - (B)			(1,163.20)			(1,163.20)
Balance as at March 31, 2018 - (C)	2,263.97	1,219.03	(13,127.05)			(9,644.04)
2018-19						
Opening balance as at April 1, 2018 - (A)	2,263.97	1,219.03	(13,127.05)			(9,644.04)
Profit/(Loss) for the year	2,325.96					2,325.96
Other comprehensive income						
Total comprehensive income for the year 2018-19 - (B)	2,325.96					2,325.96
Balance as at March 31, 2019 - (C)	2,263.97	1,219.03	(10,801.09)			(7,318.08)

Significant accounting policies and notes to the financial statements (Refer notes 3.01 and 3.02)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our annexed report
For L Mukundan and Associates
Chartered Accountants
Reg No. of the Firm: 010283S
(L Mukundan)
Partner
MNo: 204372
V. SRINIVASAN
Chief Financial Officer
Place: Chennai
Date:30.05.2019

On behalf of Board
V. SRIKANTH (DIN 00076856)
Chairman

K. V. RAMACHANDRAN (DIN: 00322331)
Vice Chairman & Managing Director

R. SOWMITHRI (DIN 00280988)
Executive Director & Company Secretary
Place:Chennai
Date:30.05.2019

EL FORGE LIMITED

Cash Flow Statement for the period ended March 31, 2019 (Amount in Rs.)

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
Cash flow from operating activities		
Profit / Loss (-) for the year	2325.96	(1163.20)
Adjustments for :		
Depreciation, amortisation and impairment - net of capitalisation	661.12	685.37
Other amortisations- Preference Debt additional charges	0.00	123.61
Loss / (Profit) on disposal of tangible assets	(0.20)	(4.94)
Finance costs - net of capitalisation	61.49	216.62
Dividend income	(0.03)	(0.03)
Provision reversals/write back	(2962.12)	(113.56)
Operating profit before working capital changes	86.22	(256.13)
Adjustments for changes in :		
Liabilities and provisions	2484.19	(2675.21)
Trade receivables	(17.56)	1075.72
Inventories	(15.85)	347.87
Other non-current and current assets	433.44	375.99
Cash generated from operations	2970.44	(1131.76)
Income tax paid	0.00	0.00
Net cash flow from operating activities [A]	2970.44	(1131.76)
Cash flow from investing activities		
Payments for acquisition of assets	(53.87)	(23.13)
Proceeds on sale of fixed assets	0.21	213.35
Proceeds from sale of investments (net)	0.00	11.44
Deposits - (given)/receipt back	(49.65)	(3.17)
Dividend received	0.03	0.03
Net cash flow from investing activities [B]	(103.28)	198.52
Cash flow from financing activities		
Repayments of long-term borrowings	(1416.46)	(4229.43)
Proceeds from short-term borrowings	0.00	5396.62
Repayments of short-term borrowings	(1374.75)	0.00
Finance cost paid	(61.49)	(216.62)
Net cash flow (used in) financing activities [C]	(2852.70)	950.57
Net cash Inflow [A+B+C]	14.46	17.33
Opening cash and cash equivalents	22.62	5.29
Closing cash and cash equivalents*	37.08	22.62
*Refer Note 1.7 a. to the Financial Statements		

For significant accounting policies and other information, please refer Statement of Profit & Loss

As per our annexed report

For L Mukundan and Associates

Chartered Accountants

Reg No. of the Firm: 010283S

(L Mukundan)

Partner

MNo: 204372

V. SRINIVASAN

Chief Financial Officer

Place: Chennai

Date:30.05.2019

On behalf of Board

V. SRIKANTH (DIN 00076856)

Chairman

K. V. RAMACHANDRAN (DIN: 00322331)

Vice Chairman & Managing Director

R. SOWMITHRI (DIN 00280988)

Executive Director & Company Secretary

Place:Chennai

Date:30.05.2019

EL FORGE LIMITED

Note :1.01 Fixed Assets -Tangible

Name of the Fixed Assets	Gross Block			Closing Balance	Depreciation			Closing Balance year 31-3-2019	Net Block	
	Opening Balance As at 1-4-2018	Additions during the year	Deletions / Tranfer during the year		Opening Balance as at 31-3-2019	Addition during As at 01-4-2018	Deduction during the year		As at 31-03-2019 as at	As at 31-03-2018
Other than Capital Work in Progress										
Land	73.32	0.00	0.00	73.32	0.00	0.00	0.00	0.00	73.32	73.32
Land (Lease Hold)	6.88	0.00	0.00	6.88	0.00	0.00	0.00	0.00	6.88	6.88
Building	2111.21	0.00	0.00	2111.21	752.62	66.82	0.00	819.44	1291.77	1358.59
Plant & machinery	9122.55	53.87	0.20	9176.22	5882.60	592.05	0.19	6474.46	2701.76	3239.95
Furnitutre & Fixtures	226.61	0.00	0.00	226.61	209.33	2.01	0.00	211.34	15.27	17.29
Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Equipments	249.18	0.00	0.00	249.18	236.01	0.24	0.00	236.25	12.93	13.17
Total	11789.75	53.87	0.20	11843.42	7080.55	661.12	0.19	7741.49	4101.93	4709.20
Previous year figures (Summary only)	12188.95	23.13	422.33	11789.75	6609.09	685.37	213.91	7080.55	4709.20	5579.86
Note: (Relating to conversion of land (Fixed Asset) during Financial Year 2011-12).										
1.Deduction in land during the aforesaid year represent conversion of land to Stock in Trade.										
2.The Conversion has been made at the market value amounting to Rs.12,03,00,000 and										
3.The excee amount, over an above the cost of land, was shown in Capital Reserve (other than share premium)										
Capital Work -In Progress										
CWIP- Palnt & Machineries	302.28	0.00	0.00	302.28	0.00	0.00	0.00	0.00	302.28	302.28
Total	302.28	0.00	0.00	302.28	0.00	0.00	0.00	0.00	302.28	302.28
Previous year figures (Summary only)	302.28	0.00	0.00	302.28	0.00	0.00	0.00	0.00	302.28	302.28

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.02 Investments

Particulars	As at 31-03-2019 No. (Rs. In Lakh)	As at 31-03-2019 Amount (Rs. In Lakh)	As at 31-03-2018 No. (Rs. In Lakh)	As at 31-03-2018 Amount (Rs. In Lakh)
Non-Current Investments				
I) Investment in Equity Instruments				
a) in Equity Instruments (Quoted) Fully paid up shares of Rs.10/- each				
In Indusland Bank Ltd	436	0.01	436	0.01
b) in Equity Instruments (Unquoted)				
Fully paid up shares of GBP 1 each				
(i) Shakesphere Forgings Ltd-UK	150000	373.82	150000	373.82
		373.83		373.83
Less: Impairment in Value of Investments		0.00		0.00
Total Investment in Equity Instruments (Net)		373.83		373.83
Current Investments		0.00		0.00
Less: Impairment in Value of Investments		0.00		0.00
Total Investment in Equity Instruments (Net)		0.00		0.00

Note :1.03 Other Non-Current Financial Assets

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Unsecured & Considered Good		
a) Security Deposits	9.21	9.21
b) Others		
i. Sales Tax Deposits	0.00	2.73
ii. EB Deposits	80.41	27.95
iii. Other Deposits	0.00	0.08
Total	89.62	39.97

Note :1.04 Other Non-Current Assets

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Unsecured & Considered Good		
a) Capital Advances	9.72	7.41
Total	9.72	7.41

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.05 Inventories

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
(a) Raw materials and Components	97.74	115.05
(b) Work-in -progress	22.34	20.28
(c) Finished goods	170.81	160.74
(d) Flash Stock	21.83	9.88
(e) Stock-in-trade (Land)	1131.16	1131.16
(f) Stores, spares and consumable tools	107.74	98.66
Total	1551.62	1535.77

Note :1.06 Trade Receivables

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Trade Receivables - Secured	0.00	0.00
Trade Receivables - Unsecured		
(i) Considered good	465.71	448.15
(ii) Considered doubtful	0.00	0.00
Total	465.71	448.15
Age analysis of trade receivables		
Outstanding for more than 6 months from the due date	8.01	0.66
Others	457.70	447.49
Total	465.71	448.15

Note :1.07 Cash And Bank Balances

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Cash and Cash Equivalents		
i) Balances with Banks in Current account	31.03	14.41
ii) Balance with Banks On Earmarked Accounts	3.74	3.74
iii) Cash and stamps on hand	2.31	4.47
Total	37.08	22.62

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.08 Other Current Assets

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Unsecured, Considered Good unless otherwise stated		
a) Material advances	28.92	303.65
b) Balances with government authorities		
(i) Input Tax Credit: GST (Central Excise / ServiceTax)	35.89	243.22
(ii) TDS Receivables	36.14	30.57
(iii) Vat Credit	0.00	20.08
(iv) Input Tax Credit (GST)	104.92	47.44
Sub-Total	176.95	341.31
c) Staff Advance	25.31	21.97
d) Prepaid Expenses	0.00	0.00
e) Others		
i. Deferred Interest	1202.81	1202.81
Total [(a) +(b) +(c) + (d) + (e)]	1433.99	1869.74

Note :1.09 Share Capital

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Authorised:		
2,60,00,000 Equity shares of Rs.10/- each	2600.00	2600.00
Total	2600.00	2600.00
Issued, Subscribed and Paid up:(Equity shares of Rs.10/=)		
20324304 (Previous year-20324304) each fully paid up	2032.43	2032.43
Total	2032.43	2032.43

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.10 Other Equity

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
a) Securities Premium Account Balance as at the beginning of the period	2263.98	2263.98
Add: Pursuant to business combination	0.00	0.00
Add: Premium on issue of shares	0.00	0.00
Less: Utilized/ Adjusted (Right Issue Expenses)	0.00	0.00
Balance as at the end of the period	2263.98	2263.98
b) Capital Reserve		
Balance as at the beginning of the year	1219.03	1219.03
Add: Additions/ Transfers/ Created	0.00	0.00
Less: Transfers/ Utilized/ Adjusted	0.00	0.00
Balance as at the end of the period	1219.03	1219.03
c) Retained Earnings (Surplus in Statement of Profit and Loss)		
Balance as at the beginning of the year profit/(loss)	(13127.05)	(11963.85)
Add: Current year profit/(loss)	2325.96	(1163.20)
Less: Ind AS impact on Retained Earnings on transition date	0.00	0.00
Balance as at the end of the year profit/(loss)	(10801.09)	(13127.05)
d) Summary		
Reserves	3483.01	3483.01
Surplus	(10801.09)	(13127.05)
Total of Reserves & Surplus	(7318.08)	(9644.04)

The reserve has been created when equity shares have been issued at a premium. This reserve may be utilised to issue fully paid-up bonus shares, buy-back of equity shares or writing off expenses incurred on issue of equity shares.

Note :1.11 Non Current Borrowings

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Secured Borrowings at Amortised Cost *		
i. Preference Share -Liability	1211.12	1211.12
ii. Term Loan from banks	0.00	0.00
iii. Term Loans from Asset Reconstruction Company	1403.43	2819.89
Total	2614.55	4031.01

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.12 Current Financial Liabilities - Borrowings

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Secured Borrowings at amortised cost		
Assets Reconstruction Company (Assigned by Banks)	976.06	3027.21
Unsecured Borrowings at amortised cost		
Intercompany Deposits	6931.35	6254.96
Total	7907.41	9282.17

Note :1.13 Current Financial Liabilities - Trade Payables

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Trade payables - including acceptances		
i. Micro enterprises and small enterprises	0.00	0.00
ii. Other Trade Payables	2281.78	2554.32
Total	2281.78	2554.32

Note :1.14 Current Financial Liabilities - Others

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
a) Current maturities of Long-term debts at amortised cost *	0.00	0.00
b) Interest accrued and due on borrowings	69.74	65.22
c) Unclaimed Dividend	3.74	3.74
d) Public Deposits	84.95	87.36
e) Employee Benefits	373.50	361.36
Total	531.93	517.68

Note :1.15 Other Current Liabilities

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
a) Advance from Customers	95.61	86.25
b) Statutory Liabilities	29.22	256.10
Total	124.83	342.35

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :1.16 Current - Provisions

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
a) Provision for employee benefits		
i. Post retirement benefits- Gratuity	178.36	170.48
Total	178.36	170.48

Note :1.17 Current Tax Liabilities (Net)

Particulars	As at 31-03-2019 (Rs. In Lakh)	As at 31-03-2018 (Rs. In Lakh)
Provision for taxation (net of advance tax)	12.57	22.57
Total	12.57	22.57

Note :2.01 Revenue From Operations

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Sale of products Manufactured Goods Steel Forgings	4335.54	3853.32
b) Revenue from services Labour Charges	238.46	52.70
c) Other operating revenues Sale of Flash	402.55	304.92
Total	4976.55	4310.94

Note :2.02 Other Income

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Dividend income from Non-current investments	0.03	0.03
b) Profit on sale of assets	0.20	4.94
c) Duty Drawbacks Receipts	1.74	0.16
d) Miscellaneous Receipts	6.22	1.92
Total	8.19	7.05

Note :2.03 Cost Of Materials Consumed

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
Opening Stock	115.05	437.24
Purchases	2982.69	2278.84
Less Closing Stock	(97.74)	(115.05)
Total	3000.00	2601.03

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :2.04 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Changes in Inventories		
- Work-in-progress	(2.06)	0.12
- Finished goods	(10.07)	28.16
- Flash Stock	(11.96)	(3.88)
Net Change	(24.09)	24.40

Note :2.05 Employee Benefits Expense

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Salaries, wages and bonus	503.72	477.36
b) Contribution to provident, gratuity and other funds	27.24	13.52
c) Welfare expenses	256.99	246.34
Total	787.95	737.22

Note :2.06 Finance Costs

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Interest Expense	60.42	215.84
b) Interest Expenses on preference liability	0.00	123.61
c) Other borrowing costs	1.07	0.77
Total	61.49	340.22

Note :2.07 Depreciation And Amortisation Expense

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
Tangible assets		
(i) Buildings	66.82	66.82
(ii) Plant and equipment	522.17	545.15
(iii) Electrical Installations	69.84	70.87
(iv) Furniture and fittings	2.01	2.07
(v) Office equipments	0.16	0.16
(vi) Lab Equipments	0.04	0.26
(vii) Computers	0.08	0.04
(viii) Vehicles	0.00	0.00
Less: Transfer from Revaluation reserve	0.00	0.00
Total on Tangible assets (A)	661.12	685.37
Intangible assets		
(i) Brand/Trademarks		
- Acquired	0.00	0.00
(ii) Softwares	0.00	0.00
- Acquired	0.00	0.00
Total on Intangible assets (B)	0.00	0.00
Total (A + B)	661.12	685.37

EL FORGE LIMITED

Notes annexed to and forming part of the Financial Statements

Note :2.08 Other Expenses

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
Consumption of Stores and Spare Parts	90.48	65.32
Power & Fuel	609.62	571.26
Job Charges	37.31	77.93
Repairs & Maintenance - Building	0.00	6.07
Repairs & Maintenance - Machinery	99.65	88.16
Repairs & Maintenance - Others	68.47	43.38
Payments to Auditors	3.22	2.75
Insurance	9.60	6.45
Printing and stationery	6.63	4.86
Travelling and conveyance	37.72	65.41
Rent	25.28	33.08
Rates and taxes	2.64	15.16
Packing and Forwarding	43.34	38.43
Miscellaneous expenses	100.47	123.12
Total	1134.43	1141.38

Note :2.09 Exceptional Items [Expenses/ Income (-)]

Particulars	For 2018-19 (Rs. In Lakh)	For 2017-18 (Rs. In Lakh)
a) Deferred revenue expenditure written off	0.00	332.75
a) Bad and Doubtful debt written off	0.00	1047.34
c) Absolute stock written off	0.00	440.99
d) Liability no longer required written off	(2972.26)	(1934.63)
e) PF damages and penalty charges	10.14	0.00
Total	(2962.12)	(113.55)

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

01. Company Over review

- (01) EL Forge Ltd (the earlier name was Ellore Electric Supply Company limited) incorporated during 1934, and started its forging operations during 1963. The Company is engaged in the business of manufacturing Rough Steel Forgings i.e. fuel injection forgings, steering rods, tie rods, engine and gear boxes, starter items etc. for automobile industry. The company exports its products to the US, China, etc. It has a manufacturing unit at Appur Village, near Chennai.
- (02) Established OME's are the major clients of the Company.
- (03) The present installed capacity of forgings is 12000 TPA
- (04) On Quality front, the Appur plant is ISO / TS 16949 -2009 accredited.

02. Basis of Accounting and Preparation of Financial Statements

(01) Basis of preparation and compliance with Ind AS

- (a) The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for Cash Flow Statement and Assets and Liabilities that have been measured on fair value basis. GAAP comprises of Indian Accounting Standards (Ind AS) as notified under Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standards) Rules 2015 and Rule 4 of Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.
- (b) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in note 3.01. (18). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(c) Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes for the year ended March 31, 2019 have been prepared in accordance with Ind AS as notified above and duly approved by the Board of Directors at its meeting held on May 30, 2019.

(02) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, measuring certain financial assets and liabilities, at

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

Fair value as required by relevant Ind ASs. The Fair value measurement is described below:

- (a) The Company does not have any financial instruments, such as, derivatives and accordingly, measures financial instrument, at fair value at each balance sheet date does not arise. Accordingly, the principle of Fair value, in respect of the above, has not been stipulated here.
- (b) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- (i) Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.
- (ii) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- (c) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
 - (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

- (d) For other fair value related disclosures refer Sl. No. 20 of Note No. 3.02 on Financial Statements.

(03) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

- (04) New Standards and interpretations not yet adopted

In Ministry of Corporate Affairs (MCA) vide notification dated 30th March 2019 has issued new stan-

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

standard, Ind AS 116 - Leases and also amended Ind AS 12 - Income taxes and Ind AS 19 Employee benefits.

a) Ind AS 116 - Leases

The standard replaces all existing lease accounting requirements and represents a significant change in accounting and reporting of leases, with more assets and liabilities to be reported on the Balance Sheet and a different recognition of lease costs. The company is currently evaluating the impact of the standard on the financial statements. The effective date of adoption of Ind AS 116 - Leases is annual period beginning from 1st April 2019. The standard permits the use of either the retrospective or cumulative effect transition method.

Under retrospective method, the Company retrospectively apply the standard to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors and under the cumulative effect transition method, the effect of applying the Standard is adjusted in the opening retained earnings and the comparatives will not be retrospectively adjusted.

The company will adopt cumulative transition method on adoption of Ind AS 116 and accordingly comparatives for the year ended March 2019 will not be adjusted. The Company also has elected to apply certain practical expedients on transition to Ind AS 116.

The Company is in the process of evaluation of impact on account of adoption of IND AS 116 on the financial statements.

b) Ind AS 12 Income taxes - Uncertainty over Income Tax Treatments

The amendment clarifies the accounting for uncertainties in income taxes. The effective date for adoption of amendment is annual reporting periods beginning on or after April 1, 2019. The effect of amendment on Uncertainty over Income Tax Treatments is expected to be insignificant.

c) Ind AS 12 - Income taxes

The amendments to clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.”

d) Amendments in Ind AS 19 – Employee Benefits

MCA has amendments Ind AS 19 – “Employee Benefits” regarding plan amendments, curtailments and settlements. The amendments in Plan Amendment, Curtailment or Settlement are as follows;

- a) If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;
- b) In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

The above amendments are effective for annual periods beginning on or after April 1, 2019. The company has evaluated the requirements of amendment and the effect on the financial statement is expected to be insignificant.

03. Significant Accounting Policies

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

(01) Revenue Recognition

The Company earns revenue from export/domestic of manufactured steel forgings, sale of product and services and right to receive export incentives from Government.

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of third parties. Refer note 11 significant accounting policies in the Company's 2017-2018 annual report for the previous revenue recognition policies.

The revenue recognition in respect of the various streams of revenue is described as follows

Export/Domestic sale of steel forgings:-

Revenue is earned from manufacture and export/domestic sale of steel forgings. Revenue is recognised upon completion of obligation of the Company.

Revenue is recognised at the transaction price agreed with the customer through a sale order received from the customers.

Sales of products and services:-

Revenue is earned from sale of products and services. Revenue is recognised upon completion of services or upon transfer of risk and reward of products to the customer.

Export Benefits or Incentives:-

Export incentive in the nature of duty draw back or "Duty Entitlement Pass Book" under "Duty Exemption Scheme", framed by the government, are recognised in the Statement of Profit & Loss when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised using effective rate of interest method.

(02) Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amounts paid as advances towards the acquisition of Property, Plant and Equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on Balance Sheet date are disclosed under "Capital work-in-progress".

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other income / other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Management's estimated useful lives for the years ended March 31, 2019 and 2018 were as follows:

		Estimated useful life (in years)	Useful life prescribed by Schedule II (in years)
General Plant & Machinery	-	20 years	15 years
Buildings - others	-	30 years	30 years
Office Equipment's	-	5 years	5 years
Furniture and Fixtures	-	10 years	10 years

(03) Loans and Borrowings

- (a) After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.
- (b) Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

(04) Borrowing Costs

Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognised using effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

(05) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- (a) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (b) Finished goods and work in progress: Cost includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.
- (c) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

(06) Impairment of Non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

Reversal of impairment loss

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

(07) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- (ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

out of undistributed earnings of the equity method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the company's share of the income and expenses of the equity method accounted investee is recorded in the statement of income, after considering any taxes on dividend payable by the equity method accounted investee and no deferred tax is set up in the books as the tax liability is not with the company.

(08) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(09) Employee benefit schemes

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

Post-employment benefits

(a) Defined contribution plan

Retirement benefits, in form of superannuation, are a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

(b) Defined benefit plans – Gratuity and Provident fund

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

Gratuity

The Company has a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee’s last drawn salary and the number of years of employment with the Company. Presently the Company’s gratuity plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee’s salary. The Company contributes a portion to the Balco Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the Government.

The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Post-retirement medical benefits (PRMB)

The Company has framed a scheme with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the plan assets. In case where there is no plan asset, full provision is recognised in the balance sheet.

(10) Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(11) Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(12) Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(13) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under “Unallocated revenue/ expenses/ assets/ liabilities”.

(14) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(15) Research and development

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

(16) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease:

A finance lease is recognized as an asset and a liability at the commencement of lease, at lower of the fair value of leased asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.01, relating to Significant Accounting Policies, forming an integral part thereof

Assets taken on operating lease:

Assets taken on operating leases are not recognized on the Company's Balance Sheet. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

(17) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in note No. 05,06,10,11,14 and 15 of the Notes on Financial Statements, shown in the immediately succeeding notes.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

01. Denomination

All the figures are rounded off to nearest Lakh

02. Re-Grouping of Amounts

Previous year's figures have been regrouped wherever necessary to confirm to current year classification/ grouping.

03. Contingent Liabilities & Commitments

Claims against the company not acknowledged as debt (Amount in Rs. Lakh)

Sl. No.	Particulars	As at 31-03-2019	As at 31-03-2018
01	E.S.I under Appeal	0.77	0.77
02	Demands raised by SIPCOT for the Leasehold	13.00	13.00
03	Demand from Income Tax	132.74	75.63
04	Demand from Central Excise & service tax	21.43	21.43
05	Pending contract on account of Completion of CWIP	25.00	25.00

04. Confirmation of Balance

The Company has sent letters for confirmation of Balance as at 31-03-2019 but only some of the parties have responded. In the opinion of the management the current assets and Loans and Advances will be recovered in full, in the normal course of business.

05. Miscellaneous Expenditure

The company has not written off deferral interest.

06. Non-Provision for diminution in the value of Investments

The company has not provided for decline in the market value (or net realizable value) of investment made in the shares of companies as decided by the management, in view of the loss incurred by the company.

07. Disclosure of amount due to MSME

- (01) Our company has no dealings with MSME organizations (as per Micro, Small and Medium Enterprises Development Act, 2006) ; and hence we have not filed MSME returns with MCA.
- (02) As a matter of caution we have written to all suppliers to confirm if they would come under the classification of MSME. None of them have confirmed the same and hence we can conclude that our company dues are not to MSME's.
- (03) Accordingly, disclosure of details of amount due to in respect of Micro, Small and Medium Enterprises, vide Notification dated 11th October, 2018, issued by Ministry of Corporate Affairs, are not applicable to the Company for the year under report.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

08. Netting off Interest Income

Interest Expenses is shown after setting off interest receipts (Income) amounting to Rs. 5.84 Lakh, including TDS amounting to Rs.0.58 (Previous year Rs.3.68 Lakh, including TDS amounting to Rs.0.17).

09. Non-Payment of Group Gratuity Fund

The Retirement Benefit Funds towards gratuity are administered by LIC under Group Gratuity Scheme. There is a short fall of the amounts provided by the Company to Gratuity Scheme

10. Non-Disclosure of the details under Employees Benefits, AS-15 (Revised)

(01) The Company has opened a Gratuity Scheme with Life Insurance Corporation of India (LIC), for settling any amount due on account of Gratuity. Under the aforesaid Scheme, the company has to contribute annual premium, based on the amount arrived by LIC. Due to continuous operating loss during the earlier years, the Company has not made the payment of Gratuity premium to Life Insurance Corporation of India (LIC). However, required provision on this account has been made in the books of account, in consistent with mercantile method of accounting followed by the company. The management is of the view that liability provided for in the books of account up to the year end is sufficient, to meet the liability on account of gratuity.

(02) An amount of Rs.178.36 Lakh (Previous year Rs. 170.48 Lakh) has been outstanding in respect of the above fund as on 31-03-2019, as per the books of the company. Due to non-payment of annual premium on account of gratuity, the estimated return from the fund or scheme may not be ascertained or determined. Accordingly, no disclosure has been made, in terms of AS-15. The Company is taking sincere steps to make the payment of the amount due and is in the process of adopting AS-15 (Revised), any implications arising there from including the valuation of future liability on actual basis and determination of plan assets will be done in due course.

11. Penalty and Interest

Non-payment or delayed payment of statutory due (Relating to earlier years) has attracted interest and penalty. The amount of interest / late fees, has been arrived by the Management of the Company, based on the information available with them. The amount outstanding as at 31-03-2019 was Rs.197.73 Lakh, which includes Rs.10.14 Lakh, relating to Current Financial Year. (Previous year Rs. 285.86 Lakh), has been provided in the books of account. The amount charged may be different from the amount, which may be demanded subsequently by the authorities concerned.

12. Pending Litigation.

Some suppliers, have filed suit before the National Company Law Tribunal/ (NCLT) for recovery of their dues.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

Sl. No.	Name of the creditor	As at 31-03-2019	As at 31-03-2018	Status of Claim
1	Usha Martin Ltd	0.00	66.99	Settled
2	Sun Flag Iron & Steel Co Pvt. Ltd.	0.00	82.76	Settled
3	Easy Access Financial Services Ltd	215.40	0.00	Payments being made as per Memorandum of settlement.
	Total	215.40	149.75	

13. Investor Education & Protection Fund

- (01) Whenever the company declares dividend, it transfers the amount equivalent to an earmarked account, meant for the same, by opening an account with a bank. An unpaid amount, if any, lying in the aforesaid amount shall be transferred to Investor Education & Protection Fund, by taking Demand Draft, from the Bank.
- (02) In compliance of the above, the dividend amount, relating to Financial Year 2007-08, has been transferred to an account lying with a nationalized bank. An amount of Rs.3.74 Lakh (Previous Year Rs.3.74 Lakh), remaining unpaid, in that account. The company has taken steps to obtain demand draft to transfer the same to Investor Education & Protection Fund. Since the bank has not issued Demand Draft, the company is not in a position to transfer the same to Investor Education & Protection Fund.

14. Asset Reconstruction Companies

- (01) During the financial year 2013-14 Export Import Bank of India and Union Bank of India had assigned its debts to Edelweiss Asset Reconstruction Company Ltd. The company has settled part amount under a One Time Settlement arrangement with Edelweiss Asset Reconstruction Company Ltd. The final settlement is yet to be made.
- (02) The amount, due to Asset Reconstruction Company India Ltd, has been settled in full during the year.

15. Shakespeare Forgings Ltd, in UK

- (01) There has been a change in the shareholding pattern of Shakespeare Forgings Ltd (SFL), UK, the Wholly Owned Subsidiary of the company till February 2015. Due to market and environmental requirements, infusement additional funds had become obligatory at Shakespeare Forgings Ltd. As our Company was not in a position to accommodate this, the wholly owned subsidiary raised the necessary funds by issuing fresh equity on 02.02.2015. Without additional funds Shakespeare Forgings Ltd would have been forced to curtail its operations in a major way, which might have led to additional financial burden for your Company.
- (02) By issuing further shares, the shareholding of the Company in SFL has been reduced to 37.50% from 100% with effect from 02.02.2015.

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

- (03) Even though the Company owns more than 20% of the capital of SFL, the consolidation accounts has not been prepared incorporating the financials of the SFL, since the company does not have any significant control.
- (04) The Company does not have any other subsidiary or Joint venture or Associate Company, within the meaning of the Companies Act, 2013.
- (05) Further, the company has not visualized any diminution in the value of investment; and is in a near future can liquidate the investment.

16. Related Party Disclosure, as per AS-18

The related parties' details are disclosed as follows:

- (01) List of Related Parties
- (01) Related Parties
- (a) Promoters
- (i) Mr.V.Srikanth
- (ii) Mr. K.V.Ramachandran
- (b) Subsidiaries, Associates and Joint Venture: Nil
- (c) Key Managerial Personnel

Mr.K.R.Srihari (Son of Mr.K.V.Ramachandran, Vice Chairman & Managing Director)

- (02) Transaction Amount (In Rs. Lakh)

Particulars	FY 2018-19	FY 2017-18
(01) On account of Salaries		
Mr.K.R.Srihari	22.26	9.52
(02) Transaction with Related Parties		
(a) On Account of Interest		
(i) Director's Relatives	5.47	5.47

17. Segment Reporting

The Company has two business segment (1) Manufacture and sale of steel forgings.(2) Land and Development described as "Other Operating Income" (Amount in Rs. Lakh)

Sl.No.	Particulars	For the Year 2018-19	For the Year 2017-18
01	Segment Revenue		
	Forgings	4976.55	4310.94
	Land & Developments	0.00	0.00
	Total Revenue	4976.55	4310.94
02	Segment Results [Profit/ Loss (-)]		
	Forgings	(582.85)	(943.58)
	Land & Developments	0.00	0.00
	Net Profit/ Loss (-) before Interest	(582.85)	(943.58)
03	Interest cost	61.49	340.22
03	Other Income	8.19	7.05
04	Unallocable Items	2962.12	113.55
04	Net Profit/ Loss (-)	2325.96	(1163.20)

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

The Company is engaged in the business of manufacturing of Auto Ancillary part (Manufacture and sale of steel forgings). It is one of the reportable segments, as per AS 17. As the exports are mainly to Developed Countries, geographical risk is not different from domestic market and hence no separate secondary segment disclosure is required, in respect of the aforesaid reportable segments.

18. Excising the option of conversion

The Company has issued 12,11,123 number of optionally convertible preference shares (OCCRPS), during the financial year 2011-12. These shares have been issued by the company and fully subscribed by the banks (Who has extended loan to the company). Among other terms, the issue has given an option to convert the preference shares into equity shares, in three consecutive financial years 2016-17, 2017-18 and 2018-19. Till the date of approval of the financial statements, the company has not received any intimation, regarding the aforesaid option.

19. Payments to directors (other than managing director and executive director)

Particulars	Year ended March 31, 2019	Year ended, March 31, 2018
Sitting fees	0.17	0.25
Consultancy fees	0.00	0.00

20. Financial instruments

(01) Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2019 were as follows: (Amount Rs. In lakhs)

Particulars	Financial assets/ liabilities at amortized costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-		373.83	373.83	373.83
Trade receivables	465.71			465.71	465.71
Cash and cash equivalents	37.08			37.08	37.08
Other financial assets	89.62			89.62	89.62
Liabilities					
Borrowings from banks	2614.55			2614.55	2614.55
Borrowings from others	7907.41			7907.41	7907.41
Trade payables	2281.78			2281.78	2281.78
Other financial liabilities	531.93			531.93	531.93

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

The carrying value and fair value of financial instruments by each category as at March 31, 2018 were as follows: (Amount Rs. In lakhs)

Particulars	Financial assets/ liabilities at amortized costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-		373.83	373.83	373.83
Trade receivables	448.15			448.15	448.15
Cash and cash equivalents	22.62			22.62	22.62
Other financial assets	33.97			39.97	39.97
Liabilities					
Borrowings from banks/ ARCS	4031.01			4031.01	4031.01
Borrowings from others	9282.17			9282.17	9282.17
Trade payables	2554.32			2554.32	2554.32
Other financial liabilities	517.68			517.68	517.68

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2019 and 2018 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows: (Amount Rs. In lakhs)

Particulars	Year ended March 31, 2019	Year ended, March 31, 2018
Trade receivables	465.71	448.15
Cash and cash equivalents	37.08	22.62
Other financial assets	89.62	39.97
Total	592.41	510.74

c. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

Particulars	Year ended March 31, 2019	Year ended, March 31, 2018
(a) Financial assets at amortised cost		
Interest income on other financial assets	5.84	3.69
(d) Financial liabilities at amortised cost		
Interest expenses on borrowings from banks, others and overdrafts	(60.42)	(339.45)

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

(02) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- **Credit risk**
- **Liquidity risk**
- **Market risk**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

“Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases.”

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2019 and 2018 was as follows:(Amount Rs. In lakhs)

Particulars	Year ended, March 31, 2019	Year ended, March 31, 2018
Other investments	373.83	373.83
Trade receivables	465.71	448.15
Cash and cash equivalents	37.08	22.62
Other financial assets	89.62	39.97
Total	966.24	884.57

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. The ageing of trade receivables, net of allowances that are past due, is given below: (Amount Rs. In lakhs)

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

Period (in days)	Year ended March 31, 2019	Year ended, March 31, 2018
Past due 181 - 360 days	6.15	0.66
More than 360 days	2.08	0.00

Financial assets that are neither past due nor impaired

Cash and cash equivalents, other assets, other receivables and finance lease receivables are neither past due nor impaired. The total trade receivables that are not past due as at March 31, 2019 amounts to ₹ 457.48 (March 31, 2018: ₹ 447.49) and impairment has not been recorded on the same.

Currency risk:

The company has a limited risk in exposure to foreign currency.

The Company's exposure to foreign currency risk as at March 31, 2019 was as follows:

Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency demand loan	Net Balance Sheet exposure
EUR	0.13	0.00	0.00	0.13

The Company's exposure to foreign currency risk as at March 31, 2018 was as follows:

Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
EUR	0.33	0.00	0.00	0.33

Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest –bearing financial instruments were as follows: (Amount Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	0.00	0.00
Financial liabilities		
- Borrowings from banks/ ARCS	2614.55	4031.01
- Borrowings from others	7907.41	9282.17
Variable rate instruments		
Financial liabilities		
- Borrowings from banks	0.00	0.00
- Bank overdrafts	0.00	0.00

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

(03) Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2018 is ₹ (5,285.65) (Previous Year: ₹ (7,611.61)).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows: (Amount Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt	2614.55	4031.01
Less: cash and bank balances	37.08	22.62
Net debt (A)	2651.63	4053.63
Equity (B)	(5285.65)	(7611.61)
Net debt to Equity ratio [A/ B]	(0.50)	(0.53)

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

(04) Contribution towards Corporate Social Responsibility

Our company does not fall under the criteria laid for Corporate Social Responsibility under section 135 of the Companies Act, 2013 and hence the section is not applicable to the Company for the year under audit report.

21. Additional information/ details

Following are additional information, to the extent applicable to the company, for the year under report. Rs. in Lakh

Sl.No.	Particulars	As at 31-03-19	As at 31-03-18
01	Expenditure in foreign currency on account of		
	Travelling	0	0
	Membership & Subscription	0	0
02	Foreign Exchange Earnings (Export-FOB Value)	108.91	95.55

EL FORGE LIMITED

EL Forge Limited [CIN: L34103TN1934PLC000669]

Notes to the Ind-AS financial statements for the year ended 31-03-2019.

Notes No. 3.02, relating to Significant Accounting Policies, forming an integral part thereof

Sl.No.	Particulars	As at 31-03-19	As at 31-03-18
03	Earning per Shares		
	(01) Net Profit/ Loss (-) after Tax	2325.96	(1163.20)
	(02) Adjusted Net Profit/ Loss (-) after Tax	2325.96	(1163.20)
	(03) Number of Shares		
	For basic EPS	20,324,304	20,324,304
	For Diluted EPS	20,324,304	20,324,304
	(04) EPS (in Rs., Face Value of Rs.10/-)		
	Basic EPS	11.44	(5.72)
	Diluted EPS	11.44	(5.72)
05	Raw Material Consumed (Amount)		
	Total	3000.00	2601.03
	Indigenous	3000.00	2601.03
	Imported	0	0
06	Raw Material Consumed (in Percentage)		
	Total	100.00	100.00
	Indigenous	100.00	100.00
	Imported	0.00	0.00
07	Stores & Spares Consumed (Amount)		
	Total	162.10	120.23
	Indigenous	162.10	120.23
	Imported	0.00	0.00
06	Stores & Spares Consumed (in Percentage)		
	Total	100.00	100.00
	Indigenous	100.00	100.00
	Imported	0.00	0.00

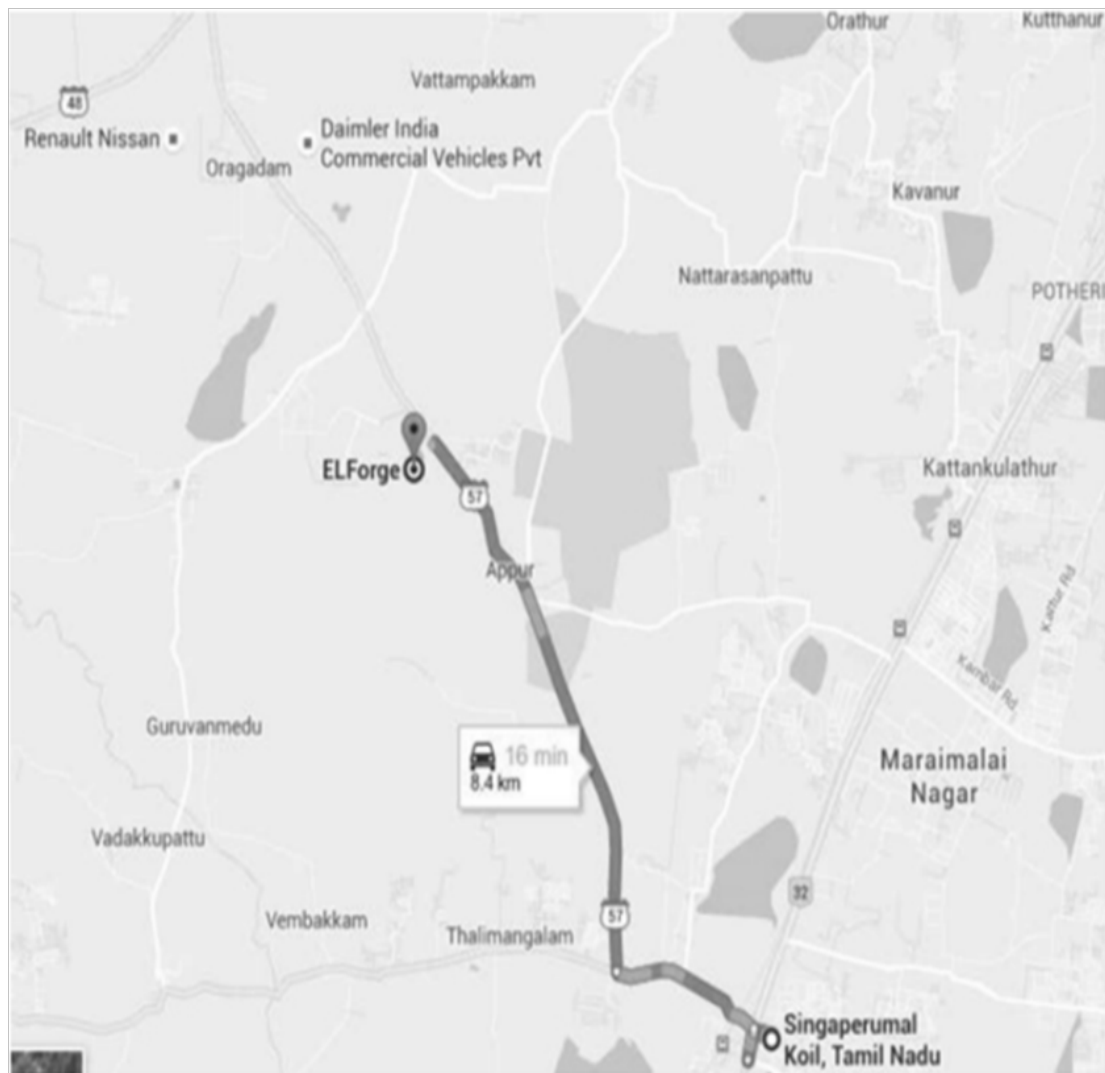
Signatories to all Notes on Financial Statements (Standalone)

As per our annexed report
For L Mukundan and Associates
Chartered Accountants
Reg No. of the Firm: 010283S
(L Mukundan)
Partner
MNo: 204372
V. SRINIVASAN
Chief Financial Officer
Place: Chennai
Date:30.05.2019

On behalf of Board
V. SRIKANTH (DIN 00076856)
Chairman
K. V. RAMACHANDRAN (DIN: 00322331)
Vice Chairman & Managing Director
R. SOWMITHRI (DIN 00280988)
Executive Director & Company Secretary
Place:Chennai
Date:30.05.2019

EL FORGE LIMITED

AGM VENUE ROUTE MAP



Book Post

To

From

EL FORGE LIMITED

No. 21C, A.R.K. Colony,
Eldams Road, Alwarpet,
Chennai - 600 018.