

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)

COMPANY SECRETARY

Smt.R.Sowmithri

AUDITORS

P.Rajagopalan & Co.

Chartered Accountants

BANKERS

Axis Bank Ltd. . Anna Salai, Chennai 600 002

IDBI Bank Ltd. Greams Road, Chennai 600 006

Edelweiss Asset Reconstruction Company Limited, Mumbai – 400 098

Asset Reconstruction Company (India) Ltd, Mumbai 400028

Royal Bank of Scotland, Harrington Road, Chennai 600031

SHARE TRANSFER AGENTS

M/s,INTEGRATED ENTERPRISES (INDIA) LTD.

No.1, Ramakrishna Street, 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) 4220 7800, Fax (044) 4201 4708

FACTORY

1A, Sriperumbudur High Road (via) Singaperumal Koil

Appur Village, Kattangulathur Onrium, Kancheepuram Dist., PIN 603 204

Ph (044) 47112500, Fax (044) 4711 2523

EL FORGE LIMITED

FINANCIAL HIGHLIGHTS (Rs.in lakhs)					
	31.03.2016	31.03.2015	31.03.2014	30.06.2013	30.06.2012
	12 Months	12 Months	9 Months	12 Months	12 Months
REVENUE FROM OPERATIONS	3876.72	5374.66	6649.60	7533.29	8330.07
OTHER INCOME	410.31	21.04	90.30	103.98	1397.37
PROFIT/LOSS(-) BEFORE TAX	(1607.34)	(1777.04)	(1135.59)	(3382.03)	(841.98)
TAXATION	0.00	0.00	0.00	0.00	-76.14
PROFIT/LOSS(-) AFTER TAX	(1607.34)	(1777.04)	(1135.59)	(3382.03)	(918.12)
Balance Sheet					
ASSETS EMPLOYED:			-	-	-
FIXED ASSETS – NET	8123.30	9281.53	10304.39	10680.03	11461.83
INVESTMENTS	385.26	392.76	392.76	471.05	471.05
NET CURRENT ASSETS	-6558.54	-5723.54	-6667.31	-6259.78	3701.56
NON CURRENT ASSETS	1627.24	1624.46	1799.78	2394.53	—
Total	3577.26	5575.21	5829.62	7285.83	15634.44
EQUITY SHARE CAPITAL	2032.43	2032.43	2032.43	2032.43	2032.43
PREFERENTIAL SHARE CAPITAL/ADV. FOR EQUITY	1211.12	1211.12	1211.12	1211.12	1211.12
RESERVES & SURPLUS	-7106.22	-5498.88	-3651.62	-2516.01	659.97
LOAN FUNDS	7439.93	7830.54	6237.69	6558.29	11793.92 0
Total	3577.26	5575.21	5829.62	7285.83	15634.44

EL FORGE LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 80th Annual General Meeting of EL FORGE LIMITED will be held on Thursday the 22nd day of September, 2016 at 11.30 AM at the factory at 1A, Sriperumbudur High Road (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram Dist. 603 204 to transact following business.

ORDINARY BUSINESS.

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2016, the Auditors' Report and the Directors' Report thereon.
2. To ratify the appointment of Auditors of the Company and authorise the Board to fix their remuneration.

To consider the ratification of the appointment of M/s.P.Rajagopalan & Co, Registration No.003408S Chartered Accountants, No.32, 2nd Cross Street, West CIT Nagar, Chennai 600035 as the Statutory Auditors of the Company to hold the remaining term of office from the conclusion of the 80th Annual General Meeting till the conclusion of the 81st Annual General Meeting and the Board be and is hereby authorised to fix their remuneration relating to Financial Year 2016-17.

SPECIAL BUSINESS

3. To adopt New Set of Articles of Association of the Company

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

"Resolved that pursuant to and in accordance with the provisions of Section 14 of the Companies Act, 2013 ("Act") and all other applicable provisions, if any, of the Act or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), the new set of Articles of Association of the Company, as available for inspection in the Registered / (Corporate) office of the Company, be and is hereby approved and adopted as the new set of Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association of the Company".

"Resolved Further that Board of Directors of the Company and the Company Secretary of the Company be and are hereby severally authorised to take all actions and do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental to give effect to the above resolution.

By Order of the Board

Place : Chennai
Date : 10.08.2016

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 the all Items in the special business of the Notice set out above, is hereto annexed.
5. The Register of Members will be closed from 16th September, 2016 to 22nd September, 2016 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 Limited 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 80th Annual General Meeting and the Annual Report for 2015-16 will also 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 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 80th Annual General Meeting and the Annual Report 2015-16 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 : accounts@elforge.com

EL FORGE LIMITED

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 Participants(s):
- (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 thereof, 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
- 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) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM. **EVEN** (E Voting 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 19th September, 2016 (9a.m) and ends on 21st September, 2016 (5 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15 September, 2016, 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 15th September, 2016.
- VII. Mrs.B.Venkatalakshmi, Practising Company Secretary (Membership No. CP1005) 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 of 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 Representative 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

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

Item No. 3

The Articles of Association ("AOA") of the Company as presently in force was amended by inserting new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of Association is carried out to give effect to provisions of the Companies Act, 2013. Consent of the shareholders by way of Special Resolution is required in this regard. The entire set of proposed Articles of Association is available in the website of the Company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the Members as a Special Resolution.

By Order of the Board

**Place : Chennai
Date : 10.08.2016**

**R.SOWMITHRI
COMPANY SECRETARY**

EL FORGE LIMITED

REPORT OF THE DIRECTORS

The Directors present the 80th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2016.

1. Summarised Financial Results are given below

Rs. in Lakh

	For the year ended 31.03.2016	For the year ended 31.03.2015
Gross Sales	4113.60	5775.40
Other Income	410.31	21.04
Profit/(Loss) before Depreciation	(652.86)	(803.20)
Profit/(Loss) after Depreciation	(1607.34)	(1777.04)
Net Profit/(Loss) after tax	(1607.34)	(1777.04)

2. Company Performance

The Company's efforts to infuse funds for operations could not be completed in the Year 2015-16 and hence the Company could achieve a turnover of Rs.3876.72 lakhs only. The exports was at its lowest of Rs.210-68 lakh only. The Company continues to operate below breakeven levels as the Management feels that only then a revival can happen.

The Management is still continuing its efforts to turnaround the Company. The loss incurred during the year is Rs.1607.34 lakhs.

3. Dividend

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

4. Borrowings

The Company continues its efforts to work out a plan of restructuring or settling with the Banks / ARC's so that the path for the future is set for the Company. As no breakthrough has happened during the year under report, there is no change in the statement of the borrowings of the Company.

5. CORPORATE MATTERS

5.01 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 put efforts 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, the total number of employees on the rolls of the Company is 180

5.02 Particulars of Employees and Related Disclosures

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, there is no employee drawing remuneration in excess of the limits set out in the aforesaid rules. Hence details and disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with aforesaid Rule are not provided in this report.

EL FORGE LIMITED

5.03 Key Managerial Personnel

Mr.K.V.Ramachandran, Vice Chairman & Managing Director and Mrs.R.Sowmithri, ED(Finance) & Secretary of the Company both of them within the meaning of Section 2(18) of the Companies Act, 2013 hold the office of Key Managerial Personnel.

6. Corporate Governance

With reference to Corporate Governance guidelines as laid at in Clause 49 of the Listing Agreement, the Company has complied all possible requirements. Due to circumstances beyond its control out of the company, it has not been able to fill in the vacancies caused by the resignation of all independent directors during financial year 2014-15. The Company seeks time to fill in the vacancies. Annexure A contains report on corporate governance enclosed herewith.

At present the Company has four directors of which two are executive directors and two non executive promoter directors. As a result the audit committee, remuneration committee etc which need to be constituted with independent directors is not possible in the present circumstance. All the 4 directors have carried out the duties of the audit committee & remuneration committee. Due to this fact provisions of sections 177 and 178 of the Companies Act, 2013 have not been complied in full. Barring the aforesaid non compliance, all other stipulations relating to the Listing Agreement have been complied with by the Company. The detailed report on Corporate Governance is annexed. The compliances have been reported and the Certificate from the Statutory Auditors have also been annexed to the Report on Corporate Governance.

7. Internal Control System and their adequacy

The Company has adequate system of internal control with reference to the financial statements. All the transactions are properly authorised, recorded and reported to 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.

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 2015-16 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 review as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India is enclosed herewith. Please refer 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 Customers 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 A to this report contains the details thereof.

11. Industrial Relations

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

EL FORGE LIMITED

12. Fixed Deposits

The Company has not accepted any fixed deposits during the year. 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, 2016, the outstanding deposits amount to Rs.90.90 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

14. Directors Responsibility Statement

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

- a) In the preparation of Annual Accounts the applicable accounting standards had been followed.
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit or Loss of the Company for that period.
- 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.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are 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.

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, your 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, 2016.

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. Subject to the observation made in para 6 of Corporate Governance, 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 2015-16 which were in conflict with the interest of the Company. Suitable disclosures as required under AS 18 have been made in Item No.19 of Note no.28 of financial statements.

EL FORGE LIMITED

Note.No.28 of the Notes on financial statements. Accordingly there are no transactions that are required to be reported in Form AOC-2 and as such does not form part of the report.

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.

20. Particulars of Loans, Guarantees or Investments

Your Company has not made any loan or given any Guarantees or made any investment under Section 186 of the Companies Act, 2013 during the year under report. The loans given / investment made / Guarantee given during the earlier year in accordance of the previous year of the Act, during the material time.

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 under report.

22. Auditors

Subject to the observations of para 6 of the Corporate Governance, the Statutory Auditors M/s P.Rajagopalan & Co, Chartered Accountants, retire at the close of this Annual General Meeting and are eligible for re-appointment or ratification of appointment. The Company has received confirmation from the firm that their reappointment will be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013. The Board has recommended their re-appointment/ratification for a term of three financial years from 2014-15 to 2016-17. The necessary resolution is being placed before the shareholders for approval. The explanation to the audit remarks / qualification is given separate in addendum to the Directors' Report.

23. Acknowledgements

The Company places on record the co-operation of Bankers, State Bank of India, Axis Bank Limited, Union Bank of India, IDBI Bank Ltd, Royal Bank of Scotland (RBS), Export Import Bank of India, Indusind Bank, and Bank of Baroda and Asset Reconstruction companies - Asset Reconstruction Company(India) Ltd and Edelweiss Asset Reconstruction company ltd.. We also thank all our Customers, Suppliers and others connected with the business for their co-operation. We sincerely thank the shareholders for their support.

For and on behalf of the Board of Directors

Place : Chennai
Date : 10.08.2016

V.SRIKANTH
CHAIRMAN