

## **EL FORGE LIMITED**

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### **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

### **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  
Bank of Baroda, Barathidasan Salai, Chennai.600018.

### **SHARE TRANSFER AGENTS**

M/s, INTEGRATED REGISTRY MANAGEMENT SERVICES PVT LTD  
No.1, Ramakrishna Street, 2<sup>ND</sup> 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**

21E, 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**

<b>FINANCIAL HIGHLIGHTS</b>					
	<b>(Rs.in lakhs)</b>				
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>30.06.2013</b>
	<b>12 Months</b>	<b>12 Months</b>	<b>12 Months</b>	<b>9 Months</b>	<b>12 Months</b>
REVENUE FROM OPERATIONS	3255.24	3876.72	5374.66	6649.60	7533.29
OTHER INCOME	0.02	410.31	21.04	90.30	103.98
<b>PROFIT/LOSS(-) BEFORE TAX</b>	<b>(1498.22)</b>	<b>(1607.34)</b>	<b>(1777.04)</b>	<b>(1135.59)</b>	<b>(3382.03)</b>
TAXATION	0.00	0.00	0.00	0.00	0.00
<b>PROFIT/LOSS(-) AFTER TAX</b>	<b>(1498.22)</b>	<b>(1607.34)</b>	<b>(1777.04)</b>	<b>(1135.59)</b>	<b>(3382.03)</b>
<b>BALANCE SHEET</b>					
<b><u>ASSETS EMPLOYED:</u></b>					
<b>FIXED ASSETS – NET</b>	<b>5882.14</b>	<b>8123.30</b>	<b>9281.53</b>	<b>10304.39</b>	<b>10680.03</b>
NON CURRENT INVESTMENTS	385.26	385.26	392.76	392.76	471.05
NET CURRENT ASSETS	-6170.38	-6558.54	-5723.54	-6667.31	-6259.78
OTHER NON CURRENT ASSETS	1591.41	1627.24	1624.46	1799.78	2394.53
<b>Total</b>	<b>1688.43</b>	<b>3577.26</b>	<b>5575.21</b>	<b>5829.62</b>	<b>7285.83</b>
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	-8604.44	-7106.22	-5498.88	-3651.62	2516.01
LOAN FUNDS	7049.32	7439.93	7830.54	6237.69	6558.29
<b>Total</b>	<b>1688.43</b>	<b>3577.26</b>	<b>5575.21</b>	<b>5829.62</b>	<b>7285.83</b>

## EL FORGE LIMITED

### NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 81<sup>st</sup> Annual General Meeting of EL FORGE LIMITED will be held on Thursday the, 28th day of September, 2017 at 11.30 am at Registered Office of the Company at 1A Sriperumbudur High Road, (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603024 to transact following business :

#### ORDINARY BUSINESS.

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017, the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Mr.V.Srikanth, who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in place of Mr.V.Ramachandran, who retires by rotation and being eligible offers himself for re-election.
4. 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) M/s. L. Mukundan & Associates Chartered Accountants (Firm Registration No.010283S), Chennai be and are hereby appointed as the Statutory Auditor of the Company in place of the vacating Auditors M/s.P.Rajagopalan & Co, (Registration No.003408S) Chartered Accountants to hold office for a term of five consecutive financial years, from the conclusion of this 81<sup>st</sup> Annual General Meeting, on such remuneration plus service tax 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".

#### SPECIAL BUSINESS

##### 5. Appointment of Mr. J. Aron Rakkesh as an Independent Director

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

"Resolved that pursuant to the provisions of Sections 149, 150, 152, and provisions of Schedule IV and other applicable provisions, if any, of the Companies 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. J. Aron Rakkesh (DIN 07014348), who was appointed as an Independent Director of the Company by Board of Directors with effect from 1<sup>st</sup> February, 2017 and who hold office till the date of the Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, signifying his intention to propose Mr. J. Aron Rakkesh as candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office from a term of five consecutive years upto 31<sup>st</sup> January, 2022.

##### 6. Appointment of Ms.Nivedita Lakshmi Ratan as an Independent Director

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

"Resolved that pursuant to the provisions of Sections 149, 150, 152, and provisions of Schedule IV and other applicable provisions, if any, of the Companies 2013 (Act), read with the Rules made thereunder,

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(including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Nivedita Lakshmi Ratan (DIN 07723440), who was appointed as an Independent Director of the Company by Board of Directors with effect from 1<sup>st</sup> February, 2017 and who hold office till the date of the Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, signifying his intention to propose Ms. Nivedita Lakshmi Ratan as candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office from a term of five consecutive years upto 31<sup>st</sup> January, 2022.

**By Order of the Board**

**Place : Chennai  
Date : 14/08/2017**

**R.SOWMITHRI  
COMPANY SECRETARY**

**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 21<sup>st</sup> September, 2017 to 28<sup>th</sup> September, 2017 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.21E, 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.

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11. Website – Quarterly information on results and other developments are posted on the Company's Website. Members also note that the notice of the 81<sup>st</sup> Annual General Meeting and the Annual Report for 2016-17 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 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 81<sup>st</sup> Annual General Meeting and the Annual Report 2016-17 will also be available on the Company's website [www.elforge.com](http://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](mailto:accounts@elforge.com)

### 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(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

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- (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](mailto:bhave23@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 (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](http://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 25<sup>th</sup> September, 2017 (9.00am) and ends on 27<sup>th</sup> September, 2017 (5.00 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 20<sup>th</sup> September, 2017, 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 20<sup>th</sup> September, 2017.
  - VII Mrs.B.Venkatalakshmi, Practicing 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](http://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**

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**ANNEXURE TO THE NOTICE**

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

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos.2 to 4 of the accompanying Notice.

**Item No. 4**

In terms of the provisions of Section 139 of the Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years. The Act further prescribes that the Company has to comply with these provisions within three years from the commencement of Act.

M/s.P.Rajagopalan & Co, Chartered Accountants (Registration No.003408S) existing Statutory Auditors have been in office for more than ten years. As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act') a transition period of three years from the commencement of the Act was provided to appoint a new auditor when the existing audit firm has completed two terms of five consecutive years. In compliance with the provision of the Act, the Company will have to appoint a new auditor in place of the existing Statutory Auditors.

The Board of Directors has, based on the recommendation of the Audit Committee at their meeting held on 26/05/2017 proposed the appointment of M/s.L.Mukundan & Associates as the Statutory Auditors of the Company in place of the existing statutory auditors to hold office from the conclusion of this AGM, until the conclusion of 86<sup>th</sup> AGM of the company subject to ratification of members at every AGM. Mr.L.Mukundan & Associates have consented to their appointment as Statutory Auditors and have confirmed to their appointment as Statutory Auditors and have confirmed that if appointed, the appointment will be in accordance with Section 139 read with section 141 of the Act.

None of the Directors, Key Managerial Personnel and their relatives is, in any way, concerned or interested, financial or otherwise, in this resolution.

The Directors recommends the resolution set forth for the approval of the members.

**Item No. 5 & 6**

The Board of Directors of the Company at their meeting held on 1<sup>st</sup> February, 2017 appointed Mr. J. Aron Rakkesh and Ms.Nivedita Lakshmi Ratan as an Independent Directors of the Company with effect from 1<sup>st</sup> February, 2017, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company.

Mr. J. Aron Rakkesh and Ms.Nivedita Lakshmi Ratan will hold office upto the date of this AGM. The Company has received a declaration from Mr. J. Aron Rakkesh and Ms.Nivedita Lakshmi Ratan that they meets the criteria of Independence as prescribed both under Sub Section (6) of Section 149 of the Act and under SEBI Listing Regulations. In the opinion of the Board, Mr. J. Aron Rakkesh and Ms.Nivedita Lakshmi Ratan fulfills the conditions of their appointment as an Independent Director as specified in the Act and SEBI Listing Regulations.

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 ordinary Resolution.

**By Order of the Board**

**Place : Chennai  
Date : 14/08/2017**

**R.SOWMITHRI  
COMPANY SECRETARY**

**EL FORGE LIMITED**

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting**

<b>Name of the Director</b>	<b>Mr.V.Srikanth</b>	<b>Mr.V.Ramachandran</b>	<b>Mr. J. Aron Rakkesh</b>	<b>Ms.Nivedita Lakshmi Ratan</b>
Date of Birth and Age	19/10/1953 (64 Years)	26.01.1948 (69 Years)	17.12.1983 (34 Years)	08.08.1988 ( 29 Years)
Date of Appointment	26/08/1983	14/03/1996	01.02.2017	01.02.2017
Expertise in specific function areas	Has been involved in the business for more than 4 decades	Professional exposure of 4 decades in the Auto Component Industry.	Various strategic and leadership level in variety of business functions	Leadership level in legal, Member of Bar Council of India
Board Membership of other companies as on March 31, 2017	The Vellore Electric Corporation Ltd. Wesco Engineers Ltd.	The Vellore Electric Corporation Ltd.	AT Broadband Pvt Ltd (Whole Time Director) Liaison Pvt Ltd (Director)	--



## EL FORGE LIMITED

### **REPORT OF THE DIRECTORS**

The Directors present the 81st Annual Report along with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2017.

#### **1. Summarised Financial Results are given below**

(Rs.in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
Gross Sales	3542.98	4113.60
Other Income	0.02	410.31
Profit/(Loss) before Depreciation	(471.43)	(652.86)
Profit/(Loss) after Depreciation	(1293.39)	(1607.34)
Net Profit/(Loss) after tax	(1498.23)	(1607.34)

The company shall adopt "Ind AS" from the financial year 2017-18 when it becomes mandatory.

#### **2. Company Performance**

During the year, the company was able to maintain its operations at the same level as of the previous year. The efforts to resolve the debt and infuse working capital has been continuing. With the existing situation and the support of the customers, the operations are continuing at the plant. The management has taken all measures to minimize the cost of operations. There is hope that we will be able to find a solution to settle debt and utilize the plant optimally.

In spite of the financial strain, the company maintains its quality 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 been able to settle the liability with Royal Bank of Scotland and since the date of this Balance Sheet, the Company has settled the dues of Axis Bank Ltd and IDBI Bank Ltd.

We expect that, at least by the next year, the settlement would be completed and the company can obtain fresh working capital and scale up the operations to profitable levels.

#### **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 their best efforts to deliver on all our commitments.

The Human Resources practices at your Company empowers the employees through greater knowledge,

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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 report, the total number of employees on the rolls of the Company has been 180

### **5.02 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 respectively.

### **6. Corporate Governance**

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

During the year two independent directors have been appointed. At present the Company has six directors of which two are executive directors and four are non executive directors. After the appointment of the independent Directors, the audit committee, remuneration committee etc have been reconstituted with independent directors.

### **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 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 2016-17 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 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.