



***EL FORGE LIMITED***



**ANNUAL REPORT**  
**2017 - 2018**

# 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

### 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  
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

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 82nd Annual General Meeting of EL FORGE LIMITED will be held on Thursday the, 27th day of September, 2018 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 31<sup>st</sup> March, 2018, the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in the place of Mr. V. Ramachandran 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.
4. "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 81<sup>st</sup> annual general meeting held on 28<sup>th</sup> September, 2017, 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 four years, from the conclusion of this 82<sup>nd</sup> 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

#### 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 an Ordinary 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 one year from 30<sup>th</sup> March 2018 to 29<sup>th</sup> March 2019"

By Order of the Board

Place : Chennai  
Date : 14/08/2018

V.SRIKANTH  
CHAIRMAN

# EL FORGE LIMITED

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## **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 hereto annexed.
5. The Register of Members will be closed from 21st September, 2018 to 27<sup>th</sup> September, 2018 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.
11. Website - Quarterly information on results and other developments are posted on the Company's Website. Members also note that the notice of the 82nd Annual General Meeting and the Annual Report for 2017-18 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.

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14. Members may also note that the Notice of the 82<sup>nd</sup> Annual General Meeting and the Annual Report 2017-18 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 [edf@elforge.com](mailto:edf@elforge.com)

### Profile of the Non Executive Director retiring by rotation.

<b>Name of the Director</b>	<b>Mr.V.Ramachandran</b>
Date of Birth and Age	26.01.1948 (70 Years)
Date of Appointment	14/03/1996
Expertise in specific functional areas	Professional exposure of 4 decades in the Auto Component Industry.
Board Membership of other companies as on March 31, 2018	The Vellore Electric Corporation 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 shareholders 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, 2<sup>nd</sup> floor, Kences Towers, No 1 Ramakrishna street, North Usman Road, T.Nagar, Chennai – 600017.

### 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).

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## 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 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](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).

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- V. The e-voting period commences on Monday 24<sup>th</sup> September, 2018 (9.00am) and ends on 26<sup>th</sup> September, 2018 (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, 2018, 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, 2018.
- 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](http://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

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

#### **Item No. 4**

Mrs.R.Sowmithri was appointed as an Executive Director by Board Resolution dated 30th March, 2015 and approved by shareholders in the AGM dated 28<sup>th</sup> September, 2015 .She was reappointed for a term of one year from 30<sup>th</sup> March 2018 to 29<sup>th</sup> March 2019 and the terms and conditions of appointment of Executive Director approved at the Board Meeting held on 27th March, 2018. 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 thereunder the remuneration and other terms were fixed as stated below :**

#### **I. Salary**

A Salary of Rs.85,000/- (Rupees Eighty five thousand only) per month and a special allowance of Rs.45000/- (Rupees forty five thousand only) per month.

#### **Commission**

Commission based on Net Profits of the Company in a particular Financial Year as decided by the Board, which put together with Salary and Perquisites shall be subject to the overall ceilings laid down by 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  
Medical Expenses including premium for medical insurance incurred by self and family subject to a ceiling of one month's salary in a Financial year or three months salary over a period of three Financial years including premium for medical insurance.
- 3) Leave Travel Concession  
For Executive Director and her family in accordance with the Rules of the Company once in a Financial Year.

##### **Explanation**

For the purpose of category A, 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, 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 in accordance with the rules of the Company as applicable to Senior Executives of the Company but not exceeding one-half months salary for each completed year of service.
3. Encashment of Leave at the end of the tenure.



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## 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 27th September, 2018 as required under Clause 49 of the Listing Agreement with Stock Exchanges are given hereunder:

<b>Name of Director</b>	<b>Smt..R.Sowmithri</b>
<b>Date of Appointment</b>	<b>30.03.2015</b>
<b>Expertise in specific Functional areas</b>	<b>Secretarial and Finance</b>
<b>List of other Directorships held Excluding foreign companies under Section 25 of the Companies Act, 1956 and Private Companies,</b>	<b>Chendur Forgings Ltd Wesco Engineers Ltd Coromandel Steels Ltd Spheroidal Castings Ltd Vimarsha Property Developers Pvt Ltd</b>
<b>Chairman / Member of the Committees of the Board of other Companies in which she is a Director</b>	<b>Member Audit Committee Shareholders/Investors Grievance Committee</b>
<b>No.of Shares held in The Company</b>	<b>400</b>
<b>Relationship between Directors Interse*</b>	<b>Nil</b>
<b>DIN</b>	<b>00280988</b>

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. Directors recommend to pass the resolution.

Place : Chennai  
Date : 14/08/2018

By Order of the Board  
V.SRIKANTH  
CHAIRMAN

## EL FORGE LIMITED

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

<b>Name of the Director</b>	<b>Mr.V.Ramachandran</b>
Date of Birth and Age	26.01.1948 (70 Years)
Date of Appointment	14/03/1996
Expertise in specific functional areas	Professional exposure of 4 decades in the Auto Component Industry.
Board Membership of other companies as on March 31, 2018	The Vellore Electric Corporation Ltd.