



# ***EL FORGE LIMITED***



## **ANNUAL REPORT**

### **2019 - 2020**

# **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

## **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 – 400098  
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.

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# EL FORGE LIMITED

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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 84th Annual General Meeting of EL FORGE LIMITED will be held on Friday the, 25th day of September, 2020 at 11.30 AM. at Registered Of-fice 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 2020, 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.

“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 84th annual general meeting held on 25th September 2020, 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 two years, from the conclusion of this 84th 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.”

**Place : Chennai**

**Date:29/07/2020**

**By Order of the Board**

**R.Sowmithri**

**Company Secretary**

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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 here to annexed.
5. The Register of Members will be closed from 22th September, 2020 to 25th September, 2020 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 84th Annual General Meeting and the Annual Report for 2019-20 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

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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 84th Annual General Meeting and the Annual Report 2019-20 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 [edf@elforge.com](mailto:edf@elforge.com)

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

Name of the Director	Mr. V RAMACHANDRAN
Date of Birth and Age	26/01/1948 (72 Years)
Date of Appointment	14/03/1996
Expertise in specific functional areas the Auto	Professional exposure of 4 decades in Auto Component Industry.
Board Membership of other companies ason March 31, 2020	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 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.

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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 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)

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- 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 NSDLfor 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 Thursday 22nd Sepetember, 2020 (9.00AM) and ends on 24th September, 2020 (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 18th September, 2020, 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 18th September, 2020.
- 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 sig-natures at the space provided therein and surrender the same at the venue.
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# EL FORGE LIMITED

## REPORT OF THE DIRECTORS

The Directors present the 84th Annual Report along with the Audited Financial Statements of the Com-pany for the year ended 31st March, 2020.

1. Summarised Financial Results are given below

Particulars	For the Year Ended 31st March,2020	For theYear Ended 31st March ,2019
	(Rs. in Lakhs)	
Revenue from Operation (incl.excise duty)	3280.33	4976.55
Other Income	5.37	8.19
Profit/(Loss) before Depreciation	(229.83)	24.96
Profit/(Loss) after Depreciation	(888.33)	(636.15)
Extraordinary Income / Loss (-)	949.37	2962.12
Net Profit/(Loss) after tax	61.04	2325.96

### **2. Company Performance**

During the year 2019-20 the automotive industry in India experienced a downward trend due to the difficulties faced in coping up with the emerging technologies, prominence of electric vehicles and the stringent emission norms all of which had to be dealt together. As a result there was a drop in production levels of the OEM's . Our turnover dropped from Rs.4976 lakhs in 2018-19 to Rs.3280 in the financial year 2019-2020 a drop by 34%. The company however followed cost effective measures and contained the loss at Rs.888.33 lakhs. The management will try its bes to perform in the uncertain covid-19 situation.

### **3. Dividend**

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

### **4. Borrowings**

There are no credit facilities from banks.

### **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 during good as well as difficult times, and have unstintingly put their best effects to deliver on all our commitments.

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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 Man-agerial 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 CompaniesAct, 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 2019-20 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

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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, 2020, the outstanding deposits amount to Rs.65.10 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, 2020 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