



EL FORGE LIMITED



ANNUAL REPORT 2022 - 2023

EL FORGE LIMITED

BOARD OF DIRECTORS

Sri.V.Srikanth, Chairman
Sri.K.V.Ramachandran, Vice Chairman & Managing Director
Smt.Shubha Ganesh, Independent Director
Sri.S.Balakrishnan, Independent Director

CFO & COMPANY SECRETARY

Smt.R.Sowmithri

CHIEF EXECUTIVE OFFICER

Sri. K.R Srihari

AUDITORS

D.Venkatesan, B.Sc, F.C.A
Chartered Accountant
VGN Cosmopolis,
No.123, Meadows Street,
Ambattur Industrial Estate (Post),
Chennai 600 058.

BANKERS

Bank of Baroda, Barathidasan Salai, Chennai 600018
IndusInd Bank, Eldams Road, 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, Chengalpattu 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

EL FORGE LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 87th Annual General Meeting of EL FORGE LIMITED will be held on Friday, the 15th day of September, 2023 at 12 noon at the Registered Office of the Company at 1A Sriperumbudur High Road, (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpet 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 2023, the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in the place of Mr. V. Srikanth (DIN00076856) who retires by rotation and being eligible, offers himself for reappointment.

Place : Chennai
Date: 10/08/2023

By Order of the Board

V.SRIKANTH
CHAIRMAN.

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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. Members are requested to communicate the change of address, if any, quoting their respective folios to the Share Transfer Agents of the Company.
5. 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.
6. 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.
7. 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.
8. 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.
9. Website - Quarterly information on results and other developments are posted on the Company’s Website Members also note that the notice of the 87th Annual General Meeting and the Annual Report for 2022-23 will also be available on the Company’s website : <http://www.elforge.com>
10. 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.
11. 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.
12. Members may also note that the Notice of the 87th Annual General Meeting and the Annual Report 2022-23 will also be available on the Company’s website www.elforge.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s Investor email id edf@elforge.com.

For the attention of shareholders 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 April 1, 2020, 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 there of, note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- VI. Home page of e-Voting opens. Click on e-Voting:Active Voting Cycles.
- VII. Select "EVEN" of El Forge Limited
- VIII. Now you are ready for e-Voting as Cast Vote page opens
- IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- X. Upon confirmation, the message "vote cast successfully" will be displayed.
- XI. Once you have voted on the resolution, you will not be allowed to modify your vote.
- XII. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: bhave23@rediffmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy).

- I
 - (i)Initial password is provided as below/at the bottom of the Attendance Slip for the AGM. **EVEN** (EVoting Event Number) **USER ID** **PASSWORD/PIN**
 - (ii) Please follow all steps from Sr. No.(ii) to Sr.No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions(FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com
- III. If you are already registered with NSDLfor e-voting then you can use your existing user ID and password / PIN for casting your vote.

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- 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 Tuesday 12th September, 2023 (9.00AM) and ends on 14th September, 2023 (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 8th September, 2023, 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 8th September, 2023.
- VII Mrs.B.Venkatalakshmi, Practicing Company Secretary (Membership No. 1005) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.elforge.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Ltd.
- 2. For the convenience of the members, Attendance Slip is annexed to this notice. Members /Proxy Holders /Authorised Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.

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REPORT OF THE DIRECTORS

The Directors present the 87th Annual Report along with the Audited Financial Statements of the Company for the year ended 31st March 2023.

1. Summarised Financial Results are given below

Particulars	For the Year Ended 31st March,2023	For the Year Ended 31st March,2022
	(Rs. in Lakhs)	
Revenue from Operation – Forgings	5846.31	4033.62
Other Income	4.99	16.75
Profit/(Loss) before Depreciation	351.19	77.29
Profit/(Loss) after Depreciation	(137.52)	(540.01)
Exceptional Income / Loss (-)	(93.15)	143.16
Net Profit/(Loss) after tax	(230.66)	(396.85)

2. Company Performance

The economic activity in the financial year 2022-2023 was fairly smooth with no major disruptions. Rebound in economic activity coupled with partial easing of supply-side challenges ensured that the automotive industry had a very strong year. At the close of the financial year 2022-23 revenue stood at RS.5846 lakhs representing a 46% year-on-year growth.

3. Dividend

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

4. Borrowings

There are no borrowings from banks or financial institutions.

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.

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 152 employees on the rolls of the company.

5.02 Directors & Key Managerial Personnel

The following changes took place in the Directors and Key Management Personnel.

- 1) Mrs. Nivedita Lakshmi Ratan one of the independent Director resigned on 8th May,2023 due to personal reasons. The Board acknowledged her contribution to the company during her tenure with the company.
- 2) There was no change in the key management personnel.

Independent Directors' Declaration:

The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience of all Independent Directors on the Board.

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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 Four directors of which one director is an Executive Director and Three are nonexecutive.

7. Internal Control System and their adequacy

The Company has adequate system of internal control with reference to the financial as well as nonfinancial 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.

The company has appointed V.Srinivasan & Co on the basis of the recommendation of audit committee as internal auditor of the company from 1st April,2023.

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 2022-23 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 report .

12. Fixed Deposits

The Company has not accepted (or renewed) any fixed deposits during the year under report. The unclaimed fixed deposits have been transferred to the IEPF account, during the year.

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

Only one director is an executive Director in the company. There are two Key Management Personnel. The remuneration to all the three have been disclosed.

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been shown separately in **Annexure -D**)

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,2023 and of the Profit or Loss of the Company for that year.

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- 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 was adequate and were operating effectively.
- f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

15. Remuneration Policy of the Company

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

16. Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company engaged the Services of Mrs.B.Venkatalakshmi, Company Secretary in Practice, to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2023.

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

17. Related Party Transactions

All transaction entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transaction (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2022-23 which were in conflict with the interest of the Company Suitable disclosures as required under IND AS 24 have been made in the notes on accounts forming part of the financial statements. Accordingly there are no transactions that are required to be reported in Form AOC-2 and accordingly AOC-2 has not been attached.

18. Corporate Social Responsibility

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

19. Particulars of Loans, Guarantees or Investments

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

20. 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.