



# ***EL FORGE LIMITED***

Regd.Off : No.1A, Sriperumbudur High Road (Via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpattu District 603204 Phone: (044) 47112500 Fax: (044) 47112523  
Corp.Office : No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai 600018 Ph (044)24334010  
Email id:[edf@elforge.com](mailto:edf@elforge.com) Web Site : <http://www.elforge.com> CIN : L34103TN1934PLC000669

Ref: EFL/BSE/2425/29082024

29<sup>th</sup> August 2024

The Corporate Relationship Dept.  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001.

Dear Sirs,

Sub: Annual Report and Notice of 88<sup>th</sup> Annual General Meeting pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015,

We enclose copy of Annual Report together with Notice convening the 88<sup>th</sup> Annual General Meeting of the Company on Wednesday the 25<sup>th</sup> September 2024 at 12 noon at the Registered office of the company at No.1A, Sriperumpudur High Road (Via) Singaperumal Koil, Appur Village, Kattankulathur Onrium, Chengalpattu District 603204 .

The said Annual Report together with Notice is being sent today (August 29, 2024) by e-mail to the shareholders who have registered their email ID with the Company/Depository Participants as on August 23, 2024. The Annual Report is also available on the Company's Website:- [www.elforge.com](http://www.elforge.com)

Kindly take the above on record.

Yours faithfully,  
For EL FORGE LIMITED

R Sowmithri  
Company Secretary & Compliance Officer



# **EL FORGE LIMITED**

**88<sup>TH</sup>**

# **ANNUAL REPORT 2023 - 2024**

# **EL FORGE LIMITED**

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## **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

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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 88<sup>th</sup> Annual General Meeting of EL FORGE LIMITED will be held on Wednesday, the 25<sup>th</sup> day of September, 2024 at 11:45AM 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 2024, 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.

### Special Business

#### **3. Continuation of Mr. Balakrishnan (DIN: 01467766), as an Independent Director of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. S.Balakrishnan (DIN 01467766) , be and is hereby appointed as an Independent Director of the Company, with effect from October 13,2021, for a term of five years till October12,2026.”

“RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.S.Balakrishnan be continued as an Independent Director (under Non-Executive category) of the Company for the said term of 5 years, notwithstanding that on 6<sup>th</sup> February, 2025 Mr. S.Balakrishnan attains the age of 75 years during the aforesaid tenure.”

“RESOLVED FURTHER THAT any Director, CFO and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, desirable or expedient to give effect to the above resolutions, including completing necessary filings with the relevant regulatory authorities regarding such appointment.”

## **EL FORGE LIMITED**

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### **4. APPROVAL FOR INCREASE IN OVERALL BORROWING LIMITS OF THE COMPANY AS PER SECTION 180 (1) (c) OF THE COMPANIES ACT, 2013**

To consider, and if thought fit, to pass the following resolution as a Special Resolution: “RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in supersession of all the earlier resolutions, the consent of the members of the Company be and is hereby accorded to the Board of Director(s) (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 25 crores (rupees Twenty Five crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) by way of fund based facilities and Rs. 10 Crores ( Ten Crores Only) by way of non-fund based facilities over and above the aggregate, of the paid-up share capital and free reserves of the Company and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

### **5. APPROVAL FOR INCREASE IN LIMITS UNDER SECTION 180 (1) (a) OF THE COMPANIES ACT, 2013 FOR SECURITIZATION/ DIRECT ASSIGNMENT AND CREATING CHARGE ON THE ASSETS OF THE COMPANY**

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

“RESOLVED THAT in supersession of all the earlier resolutions, the consent of the members of the Company be and is hereby accorded to the Board of Director(s) pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s).

**Place : Chennai**  
**Date: 02/08/2024**

**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 88<sup>th</sup> Annual General Meeting and the Annual Report for 2023-24 is 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 88th Annual General Meeting and the Annual Report 2023-24 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).

## **EL FORGE LIMITED**

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**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 April1,2020,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](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 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 Sunday 22<sup>nd</sup> September, 2024 (9.00AM) and ends on 24<sup>th</sup> September, 2024 (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 18<sup>th</sup> September, 2024, 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 18<sup>th</sup> September, 2024.
- 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.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE DATED 2<sup>nd</sup> August , 2024 (THE "NOTICE")

As required under Section 102 of the Companies Act, 2013 (including any statutory modifications) thereto or re-enactments made thereunder, if any, for the time being in force (the "Act"), the following explanatory statement sets out all material facts relating to the business mentioned in the accompanying Notice:

### **ITEM NO.3: Continuation Of Mr.S.Balakrishnan (DIN 01467766), AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

Mr.S.Balakrishnan (DIN 01467766) was appointed Director of the Company, under the category of Independent Director with effect from 13<sup>th</sup> October,2021, for a term of 5 years. Pursuant to the provisions of Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation

## **EL FORGE LIMITED**

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of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company. Further, Mr. S.balakrishnan has confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and he is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Given his expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail his services as an Independent Director of the Company and his continuation on the Board of the Company as an Independent Director even after attaining the age of 75 years will be in the interest of the Company and he has given his consent to act as a Director of the Company. Further, as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy-five) years unless it is approved by the members by passing a special resolution to that effect. Mr. S.Balakrishnan will attain the age of 75 years on 6<sup>th</sup> February , 2025 and hence continuation beyond 75 years requires the approval of members by way of a special resolution. A brief profile of Mr.S.Balakrishnan is given separately.

### **ITEM NO. 4 & 5**

#### **APPROVAL FOR BORROWING POWERS OF THE COMPANY PURSUANT TO SECTION 180(1)(A) & 180(1)(C) OF THE COMPANIES ACT, 2013:**

The provisions of Section 71, 180(1) (a) & 180 (1) (c) of the Companies Act 2013 provide that the Board of Directors of a Company shall exercise the powers for creation of such pledges, mortgages and/or charges on all or any of the immovable or movable properties of the Company wheresoever situated, present and/or future, including any or all shares held by the Company, to secure the repayment(s) of any loan(s) availed or to be availed of, or any debenture(s) issued or to be issued by the Company and also to secure the payment of interest thereon or any charges or expenses relating thereto or arising from the availing of loans or issue of debentures and that the said mortgages or charges be in favour of the lenders / debentures holders and/ or trustees of the lenders / debenture holders in any manner as may be thought fit by the Board of Directors of the Company in the ordinary course of business only with the consent of the Shareholders by a special resolution. The provisions of Section 180(1) (c) of the Companies Act 2013, provide that the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart fr of business only with the consent of the Members by a special resolution. It is, therefore, proposed to seek the approval of the Members to the borrowing limits which shall not exceed four times the net worth of the Company at any time (apart from temporary loans obtained None of the Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, in the proposed resolutions. Accordingly, the Board recommends passing of the resolutions as set out under Item No. 4 for approval of members as a special resolution.

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Profile of the Directors seeking reappointment or continuation at the Annual General Meeting

Name of the Director : Mr. V .SRIKANTH  
Date of Birth and Age : 19/10/1953 (71Years)  
Date of Appointment : 26/08/1983

Expertise in specific functional areas the Auto Industry Professional exposure of over 4 decades in Auto Component Industry.

Board Membership of other companies As on March 31,2024 the Vellore Electric Corporation Ltd., Wesco Engineers Ltd

Name of the Director : Mr.S.Balakrishnan  
Date of Birth and Age : 06/02/1950 (74 Years)  
Date of Appointment : 13/10/2021

Expertise in Business and Consultancy. Professional experience over 4 decades.

**Place : Chennai**  
**Date: 02/08/2024**

**By Order of the Board**

**V.SRIKANTH**  
**CHAIRMAN**

# EL FORGE LIMITED

## REPORT OF THE DIRECTORS

The Directors present the 88<sup>th</sup> Annual Report along with the Audited Financial Statements of the Company for the year ended 31st March 2024.

### 1. Summarised Financial Results are given below

| Particulars   | For the Year Ended<br>31st March,2024 | For the Year Ended<br>31st March,2023 |
|---|---------------------------------------|---------------------------------------|
|   | (Rs. in Lakhs)                        |                                       |
| Revenue from Operation – Forgings                       | 6832.24                               | 5846.31                               |
| Other Income  | 40.53                                 | 4.99                                  |
| Profit/(Loss) before Depreciation                       | 490.55                                | 351.19                                |
| Profit/(Loss) after Depreciation                        | 306.35                                | (137.52)                              |
| Exceptional and Extraordinary Item Income /<br>Loss (-) | 6805.85                               | (93.15)                               |
| Net Profit/(Loss) after tax                             | 7112.20                               | (230.66)                              |

### 2. Company Performance

During the year the turnover of the company increased to Rs.6832.24 Lakhs compared to Rs.5846.31 lakhs in the previous year. This is a 17% increase over the previous year. The orders are steady and the company plans to grow its turnover at an increased pace during the current year 2024-25.

Regarding the exceptional income reported, it pertains mainly to the amount received against the slump sale of the company envisaged in 2018 but dropped later in November 2019 due to non completion of payment of the total consideration by the proposed buyer and no correspondence regarding the same in the last five years, the amount was written back during the year based on legal advice.

### 3. Dividend

The Directors have not recommended any dividend for the year under report.

### 4. Reserves

Your Directors do not propose to transfer any amount to the general reserves and the entire amount of profit for the year forms part of the 'Retained Earnings'.

### 5. Borrowings

There are no borrowings from banks or financial institutions.

## 6. CORPORATE MATTERS

### 6.01 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 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 there were 152 employees on the rolls of the company.

### 6.02 Directors & Key Managerial Personnel

During the year there were no changes in the Directors or 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.

# EL FORGE LIMITED

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## 7. 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.

## 8. 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.

V.Srinivasan & Co, Chennai are the internal Auditors of the company.

## 9. 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 2023-24 are annexed as **Annexure B** which forms part of this Report.

## 10. 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**).

## 11. 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.

## 12. 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 .

## 13. Fixed Deposits

The Company has not accepted (or renewed) any fixed deposits during the year under report. There are no amounts outstanding as Fixed Deposits.

## 14. 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**

## 15. 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,2024 and of the Profit or Loss of the Company for that year.

## EL FORGE LIMITED

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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.

### **Formal Annual Evaluation of the Performance of the Board, its Committees, Chairman and Individual Directors**

The annual evaluation of performance of the Board of Directors, its committees, chairman and individual directors for the reporting year was conducted in accordance with the provisions of the Act and the Listing Regulations, 2015.

Information on the process of the formal annual evaluation made by the Board of its own performance and that of its committees, chairman and individual directors is given in the *Corporate Governance Report*, which forms part of this Annual Report.

### **16. 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.

### **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, 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, 2024.

The Secretarial Audit report (in Form MR-3) is attached as Annexure to this Report. Please refer **Annexure F** 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. 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 2023-24 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.

### **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 to the Company for the year under report.

### **20. 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

### **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.

## EL FORGE LIMITED

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### **22. Cost Records, Cost Auditors and Cost Audit Report [as required by Rule 8(5)(ix) of Companies (Accounts) Rules, 2014, as amended]**

Rule 8(05)(ix) of the Companies (Accounts) Rules, 2014 requires to disclose, in the Board's Report, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company; in terms of the aforesaid requirement following disclosure has been made, relating to Cost Record and the cost audit.

(01) In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has made and maintained cost records and cost accounts, for the products manufactured by the Company. .

(02) Cost Audit is not applicable for the Financial Year 2023-24.

### **23. Additional Details, as amended**

The Ministry of Corporate Affairs, Government of India, issued notifications dated 24th March 2021 to amend Companies (Accounts) Rules, 2014 to enhance the disclosures required to be made by the Company in Board Report, vide the Companies (Accounts) Amendment Rules 2021, by amending Amendment in Rule 8, i.e., matters to be included in Board's Report, with effect from Financial Year 2021-22. However, there is nothing to disclosure under the following sub-clauses, namely:

(01) Clause 8(5)(xi)

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:  
Nil

(02) Clause 8(5)(xii)

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: Nil

### **24. Compliance of Secretarial Standard**

As required by paragraph 9 of the SS-1, Secretarial Standard on Meetings of the Board of Directors, as amended/ revised by the ICSI, the Institute of Company Secretaries of India, and approved by the Central Government under Section 118(10) of the Act, which are applicable w.e.f. 01-10-2017, following disclosure has been made:

“The Board has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively throughout the year under report and subsequent years”

### **25. Director**

Presently there are four Directors in the company. Two promoter Directors and two independent directors.

### **26. Statutory Auditors**

The Company has appointed Mr.D.Venkatesan, FCA,Chartered Accountant (ICAI M.No. 026465), Chennai as the Statutory Auditor of the Company from the conclusion of the 86th AGM till the conclusion of the 90th AGM. The Statutory Auditor has confirmed that his appointment satisfies the independence criteria as required under the Act . The Audit report for the year 2023-2024 is attached to the annual report.

### **Details regarding frauds reported by Auditors under section 143(12) of the Act**

In terms of the provisions of section 143(12) of the Act read with rule 13 of the Companies (Audit and Auditors) Rules, 2014, during the year under review, the auditors have not reported any frauds to the Audit Committee or to the Board and therefore, no details pursuant to the provisions of section 134(3)(ca) of the Act are required to be disclosed.

### **Annual Return**

Pursuant to Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at [www.elforge.com](http://www.elforge.com).

# EL FORGE LIMITED

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## 27. Material changes

There has been no material changes affecting the financial position of the company between 31st March,2024 till the date of the report.

### (01) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### (02) Other Disclosures

- There is no change in the nature of business of the Company during FY2023-2024.
- Your Company has not accepted any public deposits under Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during FY2023-2024.
- A cash flow statement for FY2023-2024 is attached to the Balance Sheet.
- The securities of the Company were not suspended from trading during the year under review on account of corporate actions or otherwise.
- There was no revision to the financial statements and Directors' Report of the Company during the year under review.
- Details as prescribed under section 134 of the Act and Rules made thereunder, applicable to the Company, have been specifically given in this Report, wherever applicable.

## 28. Prohibition and redressal of sexual harassment of women at work place

Pursuant to the new legislation, "Prevention, Prohibition of and Redressal of Sexual harassment of Women at Work place Act,2013" the company has framed a policy on prevention of sexual harassment at work place. There were no cases reported during the year under review under the policy.

## 29. The Annual Report for 2023-24 has been posted in the website of the company it can be accessed by clicking the following link.

[Annualreport 2023-24.pdf \(elforge.com\)](#)

## 30.Acknowledgements

The Company places on record the co-operation of Bankers, Bank of Baroda, Indus Ind Bank We also thank all our Customers, Suppliers, Employees 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: 02/08/2024**

**V.SRIKANTH  
CHAIRMAN  
(DIN 00076856)**



# EL FORGE LIMITED

## ANNEXURE A TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

### 1. Company's philosophy on code of Governance

El Forge was founded in 1934 as a Public Limited Company and has been governed on the principle of "Trusteeship". The philosophy of "Trusteeship" as the core value and basis of management, when translated into action is exhibited as 'transparency', 'responsibility' and 'integrity' and behaviour con-forming to ethical practices.

This principle inherits through the organization and every employee pledges to abide by them, in order to ensure that highest standards are maintained in the conduct of the organization in its interaction with its stake holders, society and Government.

### 2. Composition of Board

During the year 2023-24, The Board is comprised of whole time Director-Vice Chairman & Managing Director, non-executive Chairman, and two non-executive Independent Directors..

| Name of the Director | Category                    | Attendance Particulars   |          |          | Number of other Directorships and Committee Memberships// Chairmanships in other Indian Public Companies |                        |                          |
|----------------------|-----------------------------|--------------------------|----------|----------|--|------------------------|--------------------------|
|                      |                             | Number of Board Meetings |          | Last AGM | Other Director Ships   | Committee Member Ships | Committee Chairman Ships |
|                      |                             | Held                     | Attended |          |  |                        |                          |
| Mr.V.Srikanth        | Non Executive               | 4                        | 4        | Yes      | 2  | -                      | -                        |
| Mr.K.V.Ramachandran  | Executive                   | 4                        | 4        | Yes      | 3  | 3                      | 1                        |
| Ms.Shubha Ganesh     | Non Executive & Independent | 4                        | 4        | Yes      | -  | -                      | -                        |
| S.Balakrishnan       | Non Executive & Independent | 4                        | 4        | NA       | -  | -                      | -                        |

### Requirement of core skills/expertise/competencies for the Board of Directors as identified for Companies Business

The Board continues to recognise that an appropriate mix of diversity and skills is key for introducing different perspectives into Board debate and for better anticipating the risks and opportunities in building a long-term sustainable business. As set out in the charts below, each member of the Board offers a range of core skills and experience that is relevant to the successful operation of the Group.

The below table summarises the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board.

| Areas of expertise required | Description  |
|-----------------------------|--|
| Strategy & Planning         | Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities |
| Board Diversity             | Representation of Gender, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders.                                 |
| Business operations         | Experience in driving business success and regulatory frameworks and have a broad perspective on market opportunities.   |
| Technology                  | A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.  |

# EL FORGE LIMITED

## Report on Corporate Governance

| Areas of expertise required    | Description   |
|--------------------------------|---|
| Sales & Marketing              | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.  |
| Finance Acumen                 | Ability to comprehend, interpret and guide on financial management, reporting, controls and analysis  |
| Governance and Risk Management | Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance |

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

| Name of the director                                   | Areas of Expertise  |                 |                     |            |                   |                |                                |
|--|---------------------|-----------------|---------------------|------------|-------------------|----------------|--------------------------------|
|  | Strategy & Planning | Board Diversity | Business operations | Technology | Sales & Marketing | Finance Acumen | Governance and Risk Management |
| Mr.V Srikanth – Chairman                               | √                   | √               | √                   | √          | √                 | √              | √                              |
| Mr. K V Ramachandran Vice chairman & Managing Director | √                   | √               | √                   | √          | √                 | √              | √                              |
| Mrs. Shubha Ganesh Independent Director                | √                   | √               |                     | √          |                   | √              | √                              |
| Mr. S.Balakrishnan Independent Director                | √                   | √               | √                   | √          | √                 | √              | √                              |

During the financial year 2023-2024, Four (4) Board Meetings were held on 12/05/23,10/08/23, 10/11/23 and 07/02/24. Details of Composition of the Board of Directors, Directors' Attendance Records and Directorships are given below.

### 3. Audit Committee

The Audit Committee was constituted in March 2002. The powers and the role of the Audit Committee are in accordance with Clause 49 II (C) and (D) of the Listing Agreements with the Stock Exchanges read with Section 177of the Companies Act,2013.

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To appraise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussions with statutory auditors and internal auditors on the scope and consent of the audit.
- e) To review the Company's financial and risk management policies.
- f) To make recommendations to the Board on matters relating to the financial management of the Company including Audit Report. During the financial year 2023-2024, four Audit Committee Meetings were held on 12/05/23, 10/08/23, 10/11/23 and 07/02/24.

## EL FORGE LIMITED

The Composition of the Audit Committee and details of meetings attended by Directors are given below :

| Name of the Directors | Position | Number of Meetings attended during 2023-24 |          |
|-----------------------|----------|--|----------|
|                       |          | Held                                       | Attended |
| Mrs.Shubha Ganesh     | Chairman | 4  | 4        |
| Mr.V.Srikanth         | Member   | 4  | 4        |
| Mr S. Balakrishnan    | Member   | 4  | 4        |

#### 4. Remuneration of Directors

A remuneration Committee was constituted on 12.06.2004.The broad terms of reference of the Remuneration Committee are as follows:

- a) Review the remuneration of the Executive Chairman and Vice Chairman & Managing Director, executive directors and key management personnel after considering the Company's performance.
- b) Review and recommend payment of commission to the executive Directors or other Directors.
- c) Recommend to the Board, the remuneration including Salary, Perquisites and Commission to be paid to the Whole time Directors of the Company.

Composition of the Nomination & Remuneration Committee and the details of the meetings attended.

| Name of the Directors | Position | Number of meeting attended during 2023-24 |          |
|-----------------------|----------|---|----------|
|                       |          | Held                                      | Attended |
| Mr. S. Balakrishnan   | Chairman | 2   | 2        |
| Mr. V. Srikanth       | Member   | 2   | 2        |
| Mrs.Shubha Ganesh     | Member   | 2   | 2        |

#### Details of Remuneration paid to Board of Directors

| Non-whole time Directors |                           | Whole time Directors |                      |                          |                    |
|--------------------------|---------------------------|----------------------|----------------------|--------------------------|--------------------|
| Name                     | Sitting Fees (Rs.in Lacs) | Name                 | Salary (Rs. In Lacs) | Perquisites (Rs.in Lacs) | Total (Rs.in Lacs) |
| Mr. S. Balakrishnan      | 0.40                      | K.V.Ramachandran     | 47.40                | 35.97                    | 83.37              |
| Mr.V.Srikanth            | 0.40                      |                      |                      |                          |                    |
| Mrs. Shubha Ganesh       | 0.40                      |                      |                      |                          |                    |
| <b>Total</b>             | 1.20                      |                      |                      |                          |                    |

Service Contracts, Severance Fees and Notice Period :

Period of Contract of Vice Chairman & Managing Director : 3 Years from 01.04.2023

## EL FORGE LIMITED

### 5. Stakeholders Relationship Committee

The Committee meets at frequent intervals to consider, inter alia share transfers, share holders' complaints etc.

During the Financial Year 2023-24 four Shareholders / Investors Grievance Committee Meetings were held on 12/05/23, 10/08/23, 10/11/23 and 07/02/24.

The Composition of the Investors Grievance Committee and details of the meetings attended by the Directors are given below

#### 1. Stakeholders Relationship Committee

| Name of Members      | Position | No. of Meetings attended during |
|----------------------|----------|---------------------------------|
|                      |          | the year 2023-2024              |
| Mr.V.Srikanth        | Member   | 4                               |
| Mr. K.V.Ramachandran | Member   | 4                               |
| Mrs. Shubha Ganesh   | Member   | 4                               |
| Mr. S Balakrishnan   | Member   | 4                               |

#### 2. Share Transfer Committee

| Name of Members      | Position | No. of Meetings attended during |
|----------------------|----------|---------------------------------|
|                      |          | the year 2023-2024              |
| Mrs. Shubha Ganesh   | Member   | 4                               |
| Mr. K.V.Ramachandran | Member   | 4                               |
| Mr. S Balakrishnan   | Member   | 4                               |

Mrs.R.Sowmithri, the Company Secretary is the Compliance Officer. Shareholders' complaints are attended, immediately, on receipt of complaint, to the satisfaction of the Shareholders.

### Independent Directors

The Independent Directors met on 7<sup>th</sup> February,2024 without the presence of non-independent directors.

### 6. Information placed before the Board of Directors, inter alia, include:

The Board has completed access to any information within the company. The information regularly supplied to the Board of Directors includes:

- i) Annual operating plans and budgets and any updates
- ii) Capital Budgets any updates
- iii) Annual Accounts, Directors' Report etc.
- iv) Quarterly Results of the Company
- v) Minutes of the meetings of Audit Committee and other Committees of the Board
- vi) The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the Board level.
- viii) Fatal or serious accidents, dangerous occurrences etc.
- ix) Operational highlights.
- x) Major investments.
- xi) Award of large contracts.
- xii) Disclosure of interest by Directors about Directorship and committee positions occupied by them in other companies.
- xiii) Quarterly Report on Foreign exchange exposures.
- xiv) Any significant development in Human Resources / Industries Relations.
- xv) Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non payment of dividend, delay in transfer of shares etc.,
- xvi) Short term investments.
- xvii) Information relating to any legal disputes.
- xviii) Other materially important information.

# EL FORGE LIMITED

## 7. General Body Meetings

Location and time where last three Annual General Meetings were held are given below:

| Financial Year | Location of the meeting   | Date         | Time       |
|----------------|---|--------------|------------|
| 2021-22        | Registered Office of the Company at<br><b>1A, Sriperumbudur High Road,</b><br>(Via) Singa-perumal Koil, Appur Village,<br>Kattangulathur Onrium,<br>Chengalpattu District 603204. | Sep 30, 2022 | 12.00 Noon |
| 2022-23        | Registered Office of the Company at<br><b>1A, Sriperumbudur High Road,</b><br>(Via) Singa-perumal Koil, Appur Village,<br>Kattangulathur Onrium,<br>Chengalpattu District 603204. | Sep 15, 2023 | 12.00 Noon |
| 2023-24        | Registered Office of the Company at<br><b>1A, Sriperumbudur High Road,</b><br>(Via) Singa-perumal Koil, Appur Village,<br>Kattangulathur Onrium,<br>Chengalpattu District 603204. | Sep 25, 2024 | 11.45 AM   |

Special Resolution was passed for appointing an independent director at the AGM held in the Financial Year 2021-22 and 2020-21.

## 8. Subsidiary Companies

The company has no subsidiaries.

## 9. Disclosures

Details of related party transactions:

There are no materially significant related party transactions which may have potential conflict with the interests of the Company at large during the year under report.

Pecuniary relationship or transactions of the Non-executive Directors

There is no material transaction with any Non- Executive as well as Independent Directors of the company that requires separate disclosure. The non executive Directors have not taken their sitting fees during the year.

Details on the use of proceeds from Public Issues, Rights issues, Preferential Issues etc. During the year there has been no fresh issue of capital.

Details of Non-compliance, penalties, strictness imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital markets during the last three years.

None during the year.

## 10. Secretarial Audit

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, Secretarial Audit was carried out by a qualified practicing Company Secretary on a quarterly basis, to reconcile the total admitted capital with both the depositories and the total issued and listed capital. The total number of shares in physical form and the total number of dematerialized shares held with the depositories were in agreement with the total issued, paid up and listed capital.

## 11. Means of communication

The quarterly, half-yearly and full year results are published in Financial Express and Malai Malar. The quarterly results are posted on the Web site : <http://www.elforge.com>

## 12. Management Discussion and Analysis Report –

Forms part of the annual report.

# EL FORGE LIMITED

## 13. General Shareholders information

### A. Annual General Meeting

Date and Time : 25<sup>th</sup> September,2024 at 11:45AM  
Venue : 1A, Sriperumbudur High Road,Appur Village,  
Chengalpattu District 603204

Cut off date for e-voting : 18<sup>th</sup> September, 2024

E-Voting : 22nd September,2024 (9.00 am) to 24<sup>th</sup> September,2024 (5.00 pm)

### b) Financial Calendar

The Financial Year of the Company comprises a period from April to March (12 Months). The results for every quarter beginning from April is declared within 45 days from the end of the quarter and the audited results were declared in May as permitted under the listing agreement.

### c) Listing on Stock Exchanges

The Company's shares are listed on

BSE LTD  
Phiroze Jee Jee Bhoy Towers  
Dalal Street, Mumbai 400 001.

### d) Stock Code

BSE – Script Code No.531144

### e) Market Price Data

| Month           | High  | Low   |
|-----------------|-------|-------|
| April -2023     | 8.80  | 6.31  |
| May -2023       | 12.10 | 7.03  |
| June -2023      | 12.00 | 9.31  |
| July -2023      | 11.00 | 9.13  |
| August -2023    | 11.55 | 9.04  |
| September -2023 | 13.98 | 10.50 |
| October -2023   | 13.78 | 11.56 |
| November -2023  | 14.49 | 10.90 |
| December -2023  | 11.85 | 9.15  |
| January -2024   | 14.71 | 10.20 |
| February -2024  | 13.63 | 10.90 |
| March -2024     | 15.47 | 9.24  |

### (f) Registrars and Share Transfer Agents

M/s.Integrated Registry Management Services Pvt Ltd,“Kences Towers”, 2nd Floor, No.1, Ramakrishna Street T.Nagar, Chennai 600 017, Phone:044–28140801, Fax : 044 – 28143378, Demat ISIN No. INE 158F03013 INE 158F01017

### g) Share Transfer System

Applications for transfer of shares held in Physical form are received at the Registrars and Share Transfer Agents of the Company. The Power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee.

### h) Investor Services

Complaint received during the year

| Nature of the Complaints  | For the Year 2023–24 |         |
|---|----------------------|---------|
|   | Received             | Cleared |
| Relating to Transfer, Transmissions, Dividend, Demat and Remat and Change of Address etc. | 0                    | 0       |

## EL FORGE LIMITED

### Distribution of Shareholdings as on 31<sup>st</sup> March, 2024.

| Sl No | Category      | Holders     | % of Shareholders | Holdings        | % of Holdings |
|-------|---------------|-------------|-------------------|-----------------|---------------|
| 01    | Upto 100      | 5540        | 56.83             | 277896          | 1.37          |
| 02    | 101 - 250     | 1497        | 15.36             | 273423          | 1.35          |
| 03    | 251 - 500     | 1032        | 10.59             | 410292          | 2.02          |
| 04    | 501 - 1000    | 653         | 6.70              | 535512          | 2.63          |
| 05    | 1001 - 5000   | 711         | 7.29              | 1662038         | 8.18          |
| 06    | 5001 - 10000  | 137         | 1.41              | 1035027         | 5.09          |
| 07    | 10001 & Above | 178         | 1.83              | 16130116        | 79.36         |
|       | <b>TOTAL</b>  | <b>9748</b> | <b>100.00</b>     | <b>20324304</b> | <b>100.00</b> |

### Pattern of Shareholding as on 31st March, 2024

| S No | Category                | No. of Shares   | % of Shareholding |
|------|-------------------------|-----------------|-------------------|
| 1    | Promoters               | 8295627         | 40.82             |
| 2    | Corporate Bodies        | 2029355         | 9.98              |
| 3    | Mutual Funds            | 1605            | 0.01              |
| 4    | Banks                   | 945             | 0.00              |
| 5    | NRI's/Foreign Nationals | 409678          | 2.02              |
| 6    | Public                  | 9528968         | 46.88             |
| 7    | Others                  | 58126           | 0.29              |
|      | <b>Total</b>            | <b>20324304</b> | <b>100.00</b>     |

#### 14. Address for Correspondence

Plant location :- Given in the first page of Annual Report

|   |   |
|---|---|
| <p>To the Company</p> <p>Mrs.R.Sowmithri</p> <p>Compliance Officer and Company Secretary 21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600 018. Ph No. 24334010 Email : edf@elforge.com</p> | <p>To the Registrar &amp; Transfer Agent<br/>- for Shares Transfers / Transmissions etc.<br/>Mr.K.Suresh Babu<br/>Director<br/>Integrated Registry Management Services Pvt Ltd, Kences Towers, IInd Floor, 1,Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017. Ph : 28140801<br/>Email : srirams@integratedindia.in</p> |
|---|---|

#### 15. Insider Trading

Pursuant to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a code of conduct for prevention of insider trading and required disclosure practices.

#### 16. Compliance with Non-mandatory Requirements

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement.

- i) Remuneration Committee : Details are given under the heading Remuneration Committee.
- ii) Shareholder Rights - The financial results are also put up on the Company's website.
- iii) Audit Qualification:.

The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

## **EL FORGE LIMITED**

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- iv) Remuneration Committee : Details are given under the heading Remuneration Committee.
- v) Shareholder Rights - The financial results are also put up on the Company's website.
- vi) Mechanism for evaluation of non-executive Board Members –The performance evaluation of non-executive members is done by the Board annually based on criteria of attendance and contributions at Board Committee meetings as also role played / contributions other than at meetings.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct.

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement with Stock Exchanges, I hereby confirm that all the Directors of the Company have affirmed compliance to their respective codes of conduct as applicable to them for the year ended 31st March, 2024

**Place: Chennai**  
**Date :02/08/2024**

**K V RAMACHANDRAN**  
**VICE CHAIRMAN AND MANAGING DIRECTOR**  
**(DIN NO.:00322331)**



## EL FORGE LIMITED

### ANNEXURE B TO THE DIRECTORS' REPORT PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE CONSERVATION OF ENERGY

- |   |   |
|---|---|
| 1. Energy Conservation measure taken  | Gas and Power Consumption are closely Monitored to conserve energy. |
| 2. Additional Investments and Proposal if any being implemented for reduction of consumption of energy                                  |   |
| 3. Impact of the measures at 1 and 2 Above for reduction of energy Consumption and consequent Impact on the cost of Production of goods | Nil<br><br>Not Applicable   |

### FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

| Sl.No. | RESEARCH AND DEVELOPMENT                                   |  |
|--------|--|--|
|        | (R & D)  |  |
| 1      | Specific areas in which R & D carried out by the Company   | Research & Development is an ongoing process to improve the quality of end products.                             |
| 2      | Benefits derived as a result of the above R & D            | 1) Developing new forgings to meet specific requirements.<br><br>2) Reduction in cost and improvement in quality |
| 3      | Future plan of action                                      | Continued improvement in quality and productivity  |
| 4      | Expenditure on R & D                                       | Expenditure on R & D is not directly incurred during the period and hence not ascertainable                      |
|        | a) Capital   | Nil  |
|        | b) Recurring   | Nil  |
|        | c) Total   | Nil  |
|        | d) Total R & D expenditure as percentage of total turnover | Nil  |

■

## EL FORGE LIMITED

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

|   |  |
|---|--|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation  | Continuous interaction with Technology Experts to improve quality, die life, etc., |
| 2. Benefits derived as a result of the above efforts Eg. Production Improvement, cost reduction, product development, import substitution etc., | Reduction in Rejections and improvement in yield.                                  |
| 3. In case of imported Technology (imported during the last three years reckoned from the Beginning.  | Not Applicable.  |

### FOREIGN EXCHANGE EARNING AND OUTGO

|  |   |
|--|---|
| 1. Activities relating to Exports  | Overseas Markets are being constantly scanned and Requests for quotations from customers overseas are answered and followed up to obtain orders.  |
| 2. Initiatives taken to increase exports and development of new export markets for products and services and export plans. | <ol style="list-style-type: none"> <li>1. Present and prospective buyers are being invited to see our production and Inspection Facilities.</li> <li>2. Quality systems are constantly being upgraded to meet international Requirements</li> </ol> |
| 3. Total Foreign Exchange  |   |
| a) Used (Rs. In Lacs)  | Nil   |
| b) Earned (Rs. in Lacs)  | Rs.30.36 lakhs  |

# EL FORGE LIMITED

## ANNEXURE C TO THE DIRECTORS' REPORT

### Management Discussion and Analysis

#### Overview

The objective of this report is to convey the Management's perspective on the external environment and forging industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2023-24.

This should be read in conjunctions with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013 as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

#### Global Economy

The global economy continued to grow at a modest pace of 3.1% in 2023 and 2024. A slight pick up to 3.2% is expected in 2025. The impact of tight monetary conditions continues to be felt in credit markets, but the global activity is proving to be resilient as private sector confidence is improving coupled with decline in inflation. The outlook continues to differ across countries with weaker outcomes in many advanced economies especially in Europe. The emerging market economies and United States project strong growth prospects. The global inflation is forecast to decline steadily from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. The Global economy is resilient despite significant Central Bank interest rate hikes.

#### Indian Economy

Indian economy has grown from strength to strength in the recent years. India is currently the 5<sup>th</sup> largest economy in the world. Indian economy continues to grow at a rate of approximately 8.4% in 2024 surpassing expectations. Increased Government capital spending, firm domestic demand, strong revenue collections have all contributed to the growth. India is performing well economically with strong growth projections for the coming years. The implementation of ambitious set of reforms has supported economic activity and helped put a break on inflation.

#### Outlook

India's GDP took a big leap on Leap Day in 2024: The country's remarkable growth rate of 8.4% in the third quarter of the fiscal year 2024<sup>1</sup> surpassed all expectations, as market analysts had penciled in a slower growth this quarter, between 6.6% and 7.2%. Deloitte's projected growth for the quarter was between 7.1% and 7.4% (as published in January 2024)

In this edition of India economic outlook, the focus is on the emerging consumer spending patterns in India, highlighting the rise of the middle-income class. Not only has growth in consumer spending post pandemic been fluctuating, but there is also a shift in consumption patterns, with demand for luxury and high-end products and services growing faster than demand for basic goods. As we expect the number of middle- to high-income households with increasing disposable income to rise, this trend will likely get further amplified, driving overall private consumer expenditure growth.

#### Indian Auto Industry

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world.

The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. Some of the recent initiatives taken by the Government of India are:

# EL FORGE LIMITED

In January 2024, the Ministry of Heavy Industries extended the tenure of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year. The incentive will now be applicable for a total of five consecutive financial years, until March 31, 2028.

India is on track to become the largest EV market by 2030, with a total investment opportunity of more than US\$ 200 billion over the next 8-10 years. The automobile sector received a cumulative equity FDI inflow of about US\$ 36.268 billion between April 2000 - March 2024 strong demand.

## Opportunities & Threats

The government has developed numerous programs to help manufacturers, such as the Production Linked Incentive (PLI) Scheme, which is a cornerstone of the government's endeavour to achieve an Atmanirbhar Bharat. The scheme's goal is to stimulate domestic manufacturing in strategic and emerging areas, improve the cost competitiveness of domestically-made goods, and increase local capacity and economies of scale. Domestic producers are given a preference in the defence sector which will provide new opportunities to the industry.

A faster shift to electric vehicles, will have an impact on our business. Several new companies are entering the market, and existing rivals in adjacent product categories are also increasing their offerings. Under utilisation of the installed capacity resulting in increasing fixed costs of the company, growing cost of key raw materials may impact revenues and profitability of the company.

## Risk Management

The Company has a well-devised risk management process aimed at identifying, prioritizing, mitigating and monitoring risks. The key risks impacting its business include economic, foreign exchange, raw material, technology, funding, talent and cyber security risks. The Company has undertaken measures to mitigate these risks.

## Commodity Price Risk

The Steel prices have increased substantially during the year and continues to be on the upward spiral. The increases are compensated from customers. Other input costs are also increasing and the company deals with obtaining compensation from customers on a case to case basis.

## Financial and Operational Performance:

The Company has undertaken numerous operational initiatives to improve performance and reduce material loss. Undertaken impactful actions to make its quality control process robust and reduce cost of production. We have implemented strict control on raw material purchase and implemented productivity measures, both manpower and machine productivity. Also a number of cost control and cost management measures were initiated during the periods of slowdown this year to improve the financial performance.

## Key Financial Ratios:

In accordance with the SEBI (listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 the Company is required to give details of significant changes (changes of 25% or more as compared to immediately previous financial year) in financial ratios as follows.

| Particulars                      | 2023-24 | 2022-23 | Reasons for deviation                 |
|----------------------------------|---------|---------|---------------------------------------|
| Inventory Turnover Ratio         | 17.13   | 28.53   | Adjustments made in line with orders. |
| Trade Receivables Turnover Ratio | 14.81   | 20.25   | change in Collection pattern          |
| Trade Payable Turnover Ratio     | 8.5     | 10.11   | Payments made as per credit terms.    |

## Manpower Development in HR and Industrial relations:

Over the years Company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition. Industrial relations were in order throughout the year and there was satisfactory co-operation between the management and the workers in working towards the overall objectives of the Company.

## EL FORGE LIMITED

| Financial Review (Amount in Rs. Lakhs)  |                |                |                              |
|---|----------------|----------------|------------------------------|
| Particulars   | 2023-24        | 2022-23        | Increase /<br>(Decrease) in% |
| Income  |                |                |                              |
| Revenue from operations (incl.excise duty )   | 6832.24        | 5846.31        | 16.86%                       |
| Land Income   |                |                |                              |
| Other income  | 40.52          | 4.99           | 712.02%                      |
| <b>Total</b>  | <b>6872.76</b> | <b>5851.3</b>  | 17.46%                       |
| <b>Expenditure</b>  |                |                |                              |
| Cost of materials and services consumed   | 3771.53        | 3216.78        | 17.25%                       |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress                   | 84.04          | -56.91         | 247.67%                      |
| <b>Total</b>  | <b>3855.57</b> | <b>3159.87</b> | 22.02%                       |
| Cost of Land Sold   |                |                |                              |
| Employee benefits expense   | 991.01         | 965.45         | 2.65%                        |
| Finance costs   | 47.84          | 39.77          | 20.29%                       |
| Depreciation and amortisation expense   | 184.20         | 488.71         | -62.31%                      |
| Other expenses  | 1487.79        | 1335.01        | 11.44%                       |
| <b>Total</b>  | <b>6566.4</b>  | <b>5988.8</b>  | 9.64%                        |
| <b>Profit/ (Loss) before exchange gain/ (loss) on swap contracts, exceptional items and tax</b> | <b>306.35</b>  | <b>-137.52</b> | 322.77%                      |
| Exchange gain/ (loss) on swap contracts   | 0              | 0              | 0                            |
| <b>Profit/ (Loss) before exceptional items and tax</b>  | <b>306.35</b>  | <b>-137.52</b> | 322.77%                      |
| Exceptional Items [ Income / (Expenses) ]   | 150.00         | 93.15          | 61.03%                       |
| <b>Profit/ (Loss) before extraordinary items and tax</b>  | <b>156.35</b>  | <b>-230.66</b> | 167.78%                      |
| Extraordinary Items   | 6955.85        | 0              | 0                            |
| <b>Profit/ (Loss) before tax</b>  | <b>7112.20</b> | <b>-230.66</b> | 3183.41%                     |
| Tax expense:  |                |                |                              |
| (a) Current tax expense   | 0              | 0              | 0                            |
| (b) (Less): MAT credit  | 0              | 0              | 0                            |
| (c) Short / (Excess) provision for tax relating to prior years                                  | 0              | 0              | 0                            |
| (d) Net current tax expense   | 0              | 0              | 0                            |
| (e) Deferred Tax  | 0              | 0              | 0                            |
| Tax expense   | 0              | 0              | 0                            |
| <b>Profit for the year from continuing operations</b>   | <b>7112.2</b>  | <b>-230.66</b> | 3183.41%                     |
| Basic Earning per Share   | 34.99          | -1.13          |                              |
| Diluted Earning per share   | 34.99          | -1.13          |                              |
| Face Value (Rs.).   | 10             | 10             |                              |

## EL FORGE LIMITED

### Revenues

The revenues are from the sale of forgings. During the year there has not been any income from sale of land.

### Costs

**Material Costs :**The material cost for the year remained the same at 55% of the sale value as in the previous year.

**Staff Cost :**There is a marginal increase in the staff costs in order to maintain and retain talent with the company.

**Other expenses :**The management has made constant efforts to bring down costs and as a result other costs have also dropped during the year compared to the previous year.

### Depreciation :

The depreciation has been charged according to the provisions of the companies Act, 2013

### Summary of Balance Sheet is given below : (Amount in Rs. Lakhs)

| Particulars                      | As At<br>31/03/2024 | As At<br>31/03/2023 | Inc/(Dec) % |
|----------------------------------|---------------------|---------------------|-------------|
| <b>Source of Funds</b>           |                     |                     |             |
| Share holders Funds              | 2247.97             | -6080.44            | 136.97%     |
| Non current Liabilities          | 468.98              | 8736.13             | -94.63%     |
| Current Liabilities              | 1078.55             | 1056.05             | 2.13%       |
| <b>Total</b>                     | <b>3795.50</b>      | <b>3711.74</b>      | 2.26        |
| <b>Application of Funds</b>      |                     |                     |             |
| Fixed Assets                     | 2200.78             | 2347.42             | -6.25%      |
| Investments                      | 0.01                | 0.01                | 44.60%      |
| Loans & other Non Current Assets | 108.22              | 86.66               | 24.87%      |
| Current Assets                   | 1486.48             | 1277.65             | 16.35%      |
| <b>Total</b>                     | <b>3795.50</b>      | <b>3711.74</b>      | 2.26        |

### Summary of Cash Flow Sheet is given below : (Amount in Rs. Lakhs)

| Particulars                                      | 2023-24 | 2022-23  |
|--|---------|----------|
| Profit / Loss (-) for the year                   | 7112.20 | 230.66   |
| Operating profit before working capital changes  | 7320.15 | 296.35   |
| Cash generated from operations                   | 178.69  | (334.04) |
| Income tax paid                                  | 0.00    | 0.00     |
| Net cash flow from operating activities [A]      | 178.69  | (334.04) |
| Net cash flow from investing activities [B]      | -8.37   | (203.93) |
| Net cash flow (used in) financing activities [C] | -47.84  | (39.77)  |
| Net cash Inflow [A+B+C]                          | 122.48  | 90.33    |
| Opening cash and cash equivalents                | 232.54  | 142.21   |
| Closing cash and cash equivalents*               | 355.02  | 232.54   |

## EL FORGE LIMITED

|          |                         |                     |
|----------|-------------------------|---------------------|
| <b>1</b> | <b>Inventory</b>        | <b>FY 2023-24</b>   |
|          | Opening                 | 41775334.00         |
|          | Closing                 | 37971125.00         |
|          | <b>Total</b>            | <b>79746459.00</b>  |
|          | Average                 | 39873229.58         |
|          | Turnover                | <b>683223578.20</b> |
|          |                         |                     |
| <b>2</b> | <b>Trade Receivable</b> | <b>FY 2023-24</b>   |
|          | Closing                 | 54423290.00         |
|          | Opening                 | 37831549.00         |
|          | <b>Total</b>            | <b>92254839.00</b>  |
|          | Average                 | 46127419.00         |
|          | <b>Ratio</b>            | <b>14.81</b>        |
|          |                         |                     |
| <b>2</b> | <b>Trade Payable</b>    | <b>FY 2023-24</b>   |
|          | Closing                 | 84592344.00         |
|          | Opening                 | 74915223.00         |
|          | <b>Total</b>            | <b>159507567.00</b> |
|          | Average                 | <b>79753783.58</b>  |
|          | <b>Ratio</b>            | <b>8.57</b>         |

### 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 helped 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.

### Foreign Exchange Risk

The Company is exposed to foreign exchange risks on account of its exports. Your Company has formulated a hedging strategy for foreign currency exposures.

### Internal control systems and their adequacy

The Company has an internal control system that is geared towards achieving efficiency in operations, optimum utilisation of resources effective monitoring and applicable laws and regulations. The have in place adequate compliance with all company a proper and term an operations provide reason of internal controls commensurate with its size nature to enable assurance that all assets are safeguarded, transactions are authorised, recorded and stated properly and applicable statues and corporate policies are duly complied with.

### Cautionary Statement

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The management shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Prior written permission of the Company may be obtained for furnishing this information to any person

# EL FORGE LIMITED

## ANNEXURE D

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No. Requirement Information Ratio % Change

- 1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

There are only two employees as on March 31, 2024, who are Key Managerial Personnel. Their remuneration is disclosed in the Financial Statements

- 2) % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the Financial Year.

The reappointment of the Vice Chairman & Managing Director, the effective from 1<sup>st</sup> April,2023 and hence stating increase in remuneration does not arise.

- 3) % increase in the median remuneration of employees in the Financial Year

There are only two senior employees who are the Key management personnel. Both have been appointed with effect from 1<sup>st</sup> April,2024. Hence increase in median remuneration is not applicable.

- 4) No. of permanent employees on the rolls of the Company 152 as on March 31, 2024

Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

N.A. as both the employees are Key Managerial Personnel.

- 5) Affirmation that the remuneration is as per the remuneration policy of the company

Affirmed #Chairman does not draw any remuneration. \*Directors other than the Vice Chairman & Managing Director do not receive any remuneration other than by way of sitting fees, which depends upon number of meetings attended by them during the year.



# **EL FORGE LIMITED**

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## **ANNEXURE - E TO THE DIRECTORS' REPORT CERTIFICATE BY CHIEF FINANCIAL OFFICER OF THE COMPANY**

We hereby certify that for the year ended 31st March, 2024 on the basis of the review of the financial statements and the cash flow statements and the best of our knowledge and belief.

1. These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
3. These are to the best of our knowledge and belief, no transactions entered into by the Company during the year 2023-24 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company.
5. We further certify that.
  - a) There has been no significant changes in internal control over financial reporting during the year.
  - b) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting and
  - c) There has not been any significant change in Accounting policies during the year requiring disclosure in notes to the financial statements.

**Place: Chennai**

**R.SOWMITHRI**

**Date: 02/08/2024**

**CHIEF FINANCIAL OFFICER**

# EL FORGE LIMITED

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**Independent Auditor's Certificate on Compliance with the Conditions of Corporate Governance as per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To

The Members of EL Forge Limited [CIN: L34103TN1934PLC000669]  
No. 1A, Sriperumbudur High Road (Via) Singaperumal Koil, Appur Village,  
Kattangulathur Onrium, Kancheepuram, PIN 603204

Dear Members,

Sub.: Auditor's Certificate on Corporate Governance- Financial Year 2023-24- Regarding

Ref.: My Audit Engagement Letter dated 10-10-2022, in respect of the aforesaid subject.

## **01. Statutory Auditors, Company, Certificate, Regulations, Financial Year, etc.**

- (01) As the Statutory Auditors of EL Forge Limited ("the Company"), the Certificate on Compliance with the Conditions of Corporate Governance ("the certificate"), relating to the Financial Year 2023-24, ended on 31-03-2024, as required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company, is issued by me (D. Venkatesan, Chartered Accountant, ICAI M. No. 026465)
- (02) The Corporate Governance Report prepared by the Company, contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paragraph C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the aforesaid Financial Year, ended on the aforesaid date.

## **02. Management Responsibility:**

- (01) The preparation of the Corporate Governance Report, with respect to Compliance with the Conditions of Corporate Governance as per Listing Regulations, is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- (02) The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## **03. Auditor's Responsibility:**

- (01) My responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

## **Auditor's Certificate on Corporate Governance (Continued)**

- (02) I conducted my examination of the Corporate Governance Report, in accordance with the (a) Guidance Note on Certificate of Corporate Governance issued by the institute of the Chartered Accountants of India (ICAI), (b) the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate, and (c) as per the Guidance Note on Reports or Certificates for special Purpose issued by the ICAI which requires that I comply with the ethical requirements of the Code of Ethics issued by the ICAI.(all these aforesaid items are collectively referred to as "the Statutory-Guidance").
- (03) I have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms (refers Individual person also) that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

# EL FORGE LIMITED

## Auditor's Certificate on Corporate Governance (Continued)

### 04. Procedures followed by me

- (01) The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. I have examined, based on the Statutory-Guidance:
- (a) The minutes of the meetings of the board of directors of the Company (the "Board") and of committees of the Board, the annual general and extra-ordinary general meetings of the shareholders of the Company;
  - (b) Declarations made by the Board under relevant statutory / regulatory requirements;
  - (c) Relevant statutory registers maintained by the Company; and
  - (d) Such other documents and records of the Company as I deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
  - (e) The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, my scope of work under this report did not involve me performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.
- (02) I have performed necessary inquiries with the management and also obtained necessary specific representations from management.

### 05. Opinion:

Based on my examination of the relevant records, as stated in the aforesaid paragraph, and according to the information and explanations provided to me and the representations provided by the Management, in my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the SEBI Listing Regulations, and the Rules made thereunder, each as amended on Corporate Governance.

### 06. Other matters and Restriction on Use and Disclaimer.

- (01) This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- (02) This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing.
- (03) I have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

D. Venkatesan  
ICAI M. No.: 026465  
UDIN: 24026465BKDBGZ2490

Place: Chennai  
Date: 02-08-2024.

# EL FORGE LIMITED

Form No.,MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

To  
The Members  
El Forge Limited  
21C, A.R.K.Colony  
Eldams Road  
Alwarpet, Chennai 600018

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate practices by M/s.El Forge Limited, CIN L34103TN1934PLC000669 (“the Company”) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, I the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of

- I. The Companies Act, 2013(the Act) and the rules made thereon;
- II. The Companies Act, 1956 (to the extent applicable);
- III. The Securities Contracts(Regulation)Act,1956 (“SCRA”) and the rules made there under;
- IV. The Depositories Act,1996 and the Regulations and Bye-laws framed there under;
- V. Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VI The Following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - C. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
  - D. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations 2015;
  - E. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations.

## EL FORGE LIMITED

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- VII. We are informed that the Company, during the year, was not required to comply with the following regulations, and consequently not required to maintain any books, papers, minute books and other records or file any forms/returns under:
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 1999
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- VIII. Based on the study of the systems and processes in place and a review of reports of (1) the heads of the Departments; (2) Occupier/Manager of the Factories located in Appur (3) the compliance reports made by the Functional heads of various departments which are submitted to the Board of Directors of the Company; (4) a test check on the licences and returns made available on other applicable laws. I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them.
- Motor Vehicles Act,1988
  - The Explosive Act,1884,
  - The Petroleum Act,1934
  - The Environment (Protection)Act,1986
  - The Water(Prevention and Control of Pollution) Act,1974
  - The Air(Prevention and Control of Pollution) Act,1981
  - Factories Act,1948
  - Industrial Disputes Act,1947
  - The Payment of Wages Act,1936
  - The minimum Wages Act,1948
  - Employees \ State Insurance Act,1948
  - The Employees Provident Funds and Miscellaneous Provisions Act,1952
  - The Payment of Bonus Act,1965
  - The Payment of Gratuity Act,1972
  - The Contract Labour(Regulation &Abolition) Act,1972
  - The Maternity Benefit Act,1961
  - The Child Labour(Prohibition & Regulation)Act,1986
  - The Industrial Employment (Stating Order) Act,1946.
  - The Employees Compensation Act,1923.
  - The Apprentices Act,1961
  - Equal Remuneration Act,1976
  - The Employment Exchange (Compulsory Notification of Vacancies)Act,1959.
  - The Building and other Construction Workers (Regulation of Employment & Conditions of Service)Act, 1996.
  - Conferment of Permanent Status Act,1981
  - The Municipality/Local Acts.
  - The Public Liability Insurance Act,1991
  - Indian Electricity Act,2003
  - The Energy conservation Act,2001
  - The Environment Impact Assessment Notification, 2006
  - The inflammable Substance Act,1952
  - The Legal Metrology Act,2009

## EL FORGE LIMITED

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- The Coastal Regulation Zone Notification, 2011 have also examined compliance with the applicable clauses of the following
  - I. Secretarial Standards issued by the Institute of Company Secretaries of India.
  - II. The Listing Agreements entered into by the Company with BSE Ltd.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- I further report that
- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.  
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and to ensure compliance with applicable laws, rules and regulations and guidelines.

**Date: 10/07/2024**

**Place : Chennai**

**Name of Company Secretary in Practice : B. Venkatalakshmi**

**FCS No. : 1005**

**CP No. : 677**

**UDINO : F001005F000710021**

Note:

This report is to be read with our letter of even date which is annexed Annexure A and forms an integral part of this report.

# EL FORGE LIMITED

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ANNEXURE – A

To  
The Members  
EL FORGE LIMITED

1A, Sriperumbudur High Road (via) Singaperumal Koil Appur Village, Kattangulathur Onrium,  
Chengalpattu Dist., PIN 603 204.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required. I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Date: 10/07/2024**

**Place : Chennai**

**Name of Company Secretary in Practice : B. Venkatalakshmi**

**FCS No. : 1005**

**CP No. : 677**

**UDINO : F001005F000710021**

# EL FORGE LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
EL FORGE LIMITED

1A, Sriperumbudur High Road (via) Singaperumal Koil Appur Village, Kattangulathur Onrium, Chengalpattu Dist., PIN 603 204.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of EL FORGE LIMITED having CIN L34103TN1934PLC000669 and having registered office at "1A, Sriperumbudur High Road (via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpattu Dist., PIN 603 204. ( hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification ( including Directors Identification number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|------------------|-----|--------------------------------|
| NA      | NA               | NA  | NA                             |

Ensuring the eligibility of for the appointment / continuity of ever director on the board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Date: 07/08/2024**

**Place : Chennai**

**Name of Company Secretary in Practice B.Venkatalakshmi**  
**FCS No. 1005**  
**CP No. 677**  
**UDINO: F001005F000917901**



# EL FORGE LIMITED

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## **Independent Auditor's Report on the Financial Statements To the Members of El Forge Limited [CIN: L34103TN1934PLC000669] 01. Entity, Financial Statements, period, etc.**

I have audited the accompanying Financial Statements of El Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the Major accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

## **02. Opinion.**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **03. Basis for Opinion**

- (01) I conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act.
- (02) My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report.
- (03) I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules made there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.
- (04) I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my opinion.

## **04. Emphasis of Matter**

I draw attention to the note No. 05.15, in respect of writing off of the liabilities (Shown as extraordinary items in the Statement of Profit & Loss) and my opinion is not modified in respect of the above said matters.

## **05. Key Audit Matters**

- (01) Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.
- (02) I have determined the matters described below to be the key audit matters to be communicated in my report. I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the Financial Statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying Financial Statements.

# EL FORGE LIMITED

**Independent Auditor's Report on the Financial Statements  
To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

| Key Audit Matters                      | How was the matter addressed in my audit   |
|--|--|
| 01. Impairment of non-financial assets | <p>01. My audit procedures in relation to impairment assessment included, but not limited to the following:</p> <p>(01) Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in-Use (VIU);</p> <p>(02) Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used in determining the cash flow projections and VIU;</p> <p>(03) Had a discussion with the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and my understanding of the business;</p> <p>(04) Tested the arithmetical accuracy of the cash flow projections; and</p> <p>(05) Evaluated the appropriateness and adequacy of the disclosures made in the Financial Statements with respect to impairment of non-financial assets.</p> |

**06. Information Other than the Financial Statements and Auditor's Report thereon**

- (01) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and my auditor report thereon.
- (02) My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
- (03) I have nothing to report in the above regard, for the year under report.

**07. Responsibilities of Management and those charged with governance for the Financial Statements**

- (01) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

# EL FORGE LIMITED

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## Independent Auditor's Report on the Financial Statements (Continued) To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

- (02) The aforesaid responsibility also includes
- (a) Maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;
  - (b) Selection and application of appropriate implementation and maintenance of accounting policies;
  - (c) Making judgments and estimates that are reasonable and prudent; and
  - (d) Design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- (03) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- (04) The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **08. Responsibilities of Management in respect of Audit trail (edit log) facility in respect of accounting software**

The responsibility of the Board, in respect of the books of account and other relevant books and papers maintained in electronic mode, the Books of Accounts (available in the software) shall remain accessible in India, at all times so as to be usable for subsequent reference; and the accounting software has a feature of recording audit trail [from the financial year commencing on or after the 1st day of April, 2023] of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

### **09. Auditor's Responsibilities for the Audit of Financial Statements**

- (01) My objectives are to obtain reasonable assurance about whether the Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- (02) A further description of the auditor's responsibilities for the audit of the Financial Statements is included in Annexure-01. This description forms part of my auditor report.

### **10. Report on Other Legal and Regulatory Requirements**

- (01) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure 02, a statement on the matters specified in the paragraph 3 and 4 of the order.
- (02) In continuation of the above and as required by Section 143(3) of the Act, I report that:
- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

# EL FORGE LIMITED

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## Independent Auditor's Report on the Financial Statements (Continued) To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

- (b) In my opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from my examination of those books [As explained to me, the company does not have any branch, either in India or outside India].
  - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on 31-03-2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31-03-2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in Annexure 03.
- (03) With respect to the other matters to be included in the Auditor's Report in accordance Section 143 (3) (j) of the Act, read with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- (a) Relating to Pending Litigation [ Clause 11(a) of the aforesaid Rule]  

The company has not disclosed the impact, if any, of pending litigations on its financial position in its financial statement, since no pending litigations shall have an impact on the financial position of the Company.
  - (b) Relating to Long term contracts including derivative contracts [ Clause 11(b) of the aforesaid Rule]  

The company has not made any provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts, since the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - (c) Relating to Investor Education and Protection Fund [ Clause 11(c) of the aforesaid Rule]  

There has been no amount requiring to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
  - (d) Funds advanced/ received and Ultimate Beneficiaries [ Clause 11(e) (i) to (iii) of the aforesaid Rule]
    - (A) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

# EL FORGE LIMITED

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## Independent Auditor's Report on the Financial Statements (Continued) To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

(B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(C) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under the aforesaid sub-clause (i) and (ii) Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement [i.e., Paragraph 10(03)(d)(A) and (B) of this report].

(e) Payment or declaration of the dividend [ Clause 11(f) of the aforesaid Rule]

Reporting of payment or declaration of the dividend, during the year by the company, in compliance with section 123 of the Act, is not applicable, since no dividend has been declared or paid during the year under report.

(f) With respect to the matters to be included in the Auditor's Report in accordance with requirement of Section 197(16) of the Act, as amended, relating to Remuneration to Directors:

In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid, during the current year by the Company to its directors, is in accordance with the provisions of Section 197 of the Act.

(g) Audit trail (edit log) facility in respect of accounting software

In pursuance of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software, having the feature of recording audit trail (edit log) facility, applicable to the Company with effect from the Financial Year beginning from April 1, 2023, and based on my examination which included test checks, I report that the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of my audit, I did not come across any instance of audit trail feature being tampered with.

D. Venkatesan (ICAI M. No.: 026465)  
Chartered Accountant  
UDIN: 24026465BKDBGK7236

Place: Chennai.  
Date: 24-05-2024

# EL FORGE LIMITED

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## **Independent Auditor's Report on the Financial Statements (Continued) To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

### **Annexure-01 of Responsibilities for Audit of Standalone Financial Statement**

*[Referred in paragraph 09(02) of the aforesaid Report]*

As part of an audit in accordance with Standards on Auditing (SAs), I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

01. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
02. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
03. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
04. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
05. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
06. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
07. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

D. Venkatesan (ICAI M.No.: 026465)  
Chartered Accountant  
UDIN: 24026465BKDBGK7236

Place: Chennai.  
Date: 24-05-2024

# EL FORGE LIMITED

## Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure-02 of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 ("the Act") and on the basis of such checks as I considered appropriate, I further state, on the matters specified in paragraphs 3 of the Order, to the extent applicable; as required by paragraphs 4 of the Order, in the case of any unfavourable or qualified auditor's report on the matters relating to paragraph 3, I also give or state the reasons for such unfavourable or qualified answer, as the case may be; or wherever I am unable to express any opinion or answer to a particular question specified in paragraphs 3 of the Order, the report indicates such fact together with the reasons why it is not possible for me to give an answer to such question.

### 01. Clause 3(i) of the Order, in respect of Property, Plant and Equipment

#### (01) Clause 3(i)(a), relating to Property, Plant and Equipment

The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

#### (02) Clause 3(i)(b), relating to Physical Verification of Property, Plant and Equipment

(a) Property, Plant and Equipment (PPE) have been physically verified by the management at reasonable intervals; the management has the programme of verifying the PPE in phased manner, in such a way all the PPE are verified once in Two (2) years; considering the nature of the business and the nature of PPE, in my opinion, the frequency of physical verification is reasonable; and

(b) No material discrepancies were noticed on such physical verification, carried out based on the aforesaid programme; the remaining part of the Clause, namely, "whether the same (material discrepancies) have been properly dealt with in the books of account" is not applicable for the year under report

#### (03) Clause 3(i)(c), relating to title deeds of all the immovable properties

(a) The Company has owned Immovable properties; and the same has been disclosed in the Financial Statements of the Company, during the year under report, and is held in the name of company.

(b) The remaining part of the Clause, namely, "Providing the details of the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) not held in the name of the company" is not applicable for the year under report. In view of the above, I have not reported the details (format of which is stated in the aforesaid Sub-Clause).

#### (04) Clause 3(i)(d), relating to Revaluation of Property, Plant and Equipment

(a) The Company has not revalued any Property, Plant and Equipment (PPE), including Right of Use assets, or intangible assets or both during the year under report;

(b) The remaining part of the Clause, namely, "Whether the revaluation is based on the valuation by a Registered Valuer and specifying the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets" is not applicable for the year under report. In view of the above, I have not reported the details.

#### (05) Clause 3(i)(e) of the Order, relating to Benami Transactions (Prohibition) Act, 1988

(a) There have been no proceedings initiated, during the year under report, under the Benami Transactions (Prohibition) Act, 1988 or no proceedings have been pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under;

# EL FORGE LIMITED

## Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure-02 of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

- (b) The remaining part of the Clause, namely, "Whether the company has appropriately disclosed the details in its financial statements" is not applicable

### 02. Clause 3(ii) of the Order, relating to Inventory

- (01) Clause 3(ii)(a) of the Order, relating to physical verification of inventory
  - (a) Physical verification of inventory has been conducted, by the Management of the Company, once in a year, which is, in my opinion a reasonable interval; and, in my opinion, the coverage and procedure of such verification by the management is appropriate;
  - (b) No discrepancies were noticed on such verification; the remaining part of the Clause, namely, "any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account" is not applicable to the company for the year under report.
- (02) Clause 3(ii)(b) of the Order, relating to quarterly returns or statements filed by the company with such banks or financial institutions
  - (a) During the year, the Company has not been sanctioned working capital limits (the Loan), whether in less than Rupees Five Crore (Rs.5.00 Crore) or excess of Rupees Five Crore (Rs.5.00 Crore), in aggregate, from banks or financial institutions on the basis of security of current assets;
  - (b) In view of the above, there is no requirement of filing quarterly statements, in respect of quarter ended June, September, December and March, relating to the year under report.
  - (c) The remaining part of the sub-clause, namely disclosing the discrepancies and reconciling the same, in the respect of amount submitted to the banks and books of account, is not applicable to the company for the year under report;

### 03. Clause 3(iii) of the Order, relating to investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured

- (01) During the year under report, the company has not entered into any of the transactions or, as the case may be, any events, namely:
  - (a) Making of any investments in companies, firms, Limited Liability Partnerships or any other parties ("Hereinafter referred to as "the Specified persons");
  - (b) Providing of any guarantee or security to the Specified persons;
  - (c) Granting loans or advances in the nature of loans, secured or unsecured, to the Specified persons;
- (02) Accordingly, all the provisions of the sub-clauses of the clause 3(iii) of the Order are not applicable to the Company for the year under report, namely.
  - (a) Clause 3(iii)(a), Loans, Advances & Guarantee: (a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-
    - (i) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates; [Clause 3(iii)(a)(A)]
    - (ii) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates; [Clause 3(iii)(a)(B)]



## **EL FORGE LIMITED**

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### **Independent Auditor's Report on the Financial Statements (Continued)**

**To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

**Annexure-02** of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [*Referred in paragraph 10(01) of the aforesaid Report*]

- (b) Clause 3(iii)(b): Any Investments, Loans, Advances & Guarantee- prejudicial to the interest of the company:
  - (i) The Company has (a) not made any Investments (b) not provided any guarantee (c) not given any Security and (d) not granted any loans or provided advances in the nature of loans and provided any guarantee (hereinafter in this Paragraph / Sub-Paragraph referred to as "the Financial Transactions")
  - (ii) The remaining part of the Clause, namely, "Whether the terms and conditions of the Financial Transactions are prejudicial to the interest of the company" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
  
- (c) Clause 3(iii)(c): Repayment of Loans and Advances (Principal & Interest)
  - (i) The Company has not given any loans or advances in the nature of loans to any person.
  - (ii) The remaining part of the Clause, namely, "Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
  
- (d) Clause 3(iii)(d): Overdue Loans and Advances
  - (i) The Company has not given any loans or advances in the nature of loans to any person. Accordingly, the question of Overdue Amount and stating the same, if overdue for more than ninety days, does not arise.
  - (ii) The remaining part of the Clause, namely, "Whether reasonable steps have been taken by the company for recovery of the principal and interest" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
  
- (e) Clause 3(iii)(e): Renewal or extension of Loans and Advances
  - (i) The Company has not given any loans or advances in the nature of loans to any person. Accordingly, the question of renewal or extension or fresh loan granted to settle the overdue of existing loan to the same party, which has fallen due during the year under report, Amount and stating the same, if overdue for more than ninety days, does not arise.
  - (ii) The remaining part of the Clause, namely, "specifying the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
  
- (f) Clause 3(iii)(f): Loans and Advances repayable on demand
  - (i) The Company has not given any loans or advances in the nature of loans to any person, which are payable on demand or without specifying any terms or period of repayment.
  - (ii) The remaining part of the Clause, namely, "specifying the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Companies Act, 2013" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.

# EL FORGE LIMITED

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**Independent Auditor's Report on the Financial Statements (Continued)**

**To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

**Annexure-02** of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [*Referred in paragraph 10(01) of the aforesaid Report*]

**04. Clause 3(iv) of the Order, relating to compliance of Sections 185 & 186 of the Act**

- (01) Compliance of Section 185 of the Act (Loan to directors, etc.):
- (a) The Company has not given any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by director or such other person, during the year under report;
  - (b) The Company has not entered into any transaction (referred above) with the aforesaid parties, during the earlier year(s); accordingly, no amount is outstanding (in respect of loan) as at the end of the financial year or no agreement or contract is pending (in respect of guarantee given or security provided) as at the end of the financial year;
  - (c) Accordingly, I have not made any observation on the compliance of the aforesaid section.
- (02) Compliance of Section 186 of the Act 2013 (Loans, investments, guarantees, and security)
- (a) The Company has not (i) given any loan to any person or other body corporate, (ii) given any guarantee or provided security in connection with a loan to any other body corporate or person, and (iii) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, during the year;
  - (b) In view of the above, the provisions of section 186 of the Act are not applicable to the Company for the year under report; accordingly, I have not made any observation on the compliance of the aforesaid section

**05. Clause 3(v) of the Order, relating to Deposits**

- (01) The Company has not received or renewed, any deposit, during the year under report, within the meaning of the Act and the Deposit Rules made there under;
- (02) Considering the observations made in the aforesaid sub-paragraph, the remaining part of the Clause of the Order, given below, is not applicable to the Company for the year under report.
- (a) Whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Deposit Rules framed there under, where applicable, have been complied with?
  - (b) If not, the nature of contraventions should be stated; If an order [not the Order, abbreviated for Companies (Auditor's Report) Order, 2020] has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?

(03) Accordingly, I have not made any observation, relating to the above.

**06. Clause 3(vi) of the Order relating to Cost Records**

I have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of the products manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, I have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.

## EL FORGE LIMITED

### Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure-02 of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

#### 07. Clause 3(vii) of the Order, relating to payments and outstanding Statutory Dues

(01) Payment of undisputed Statutory dues: Based on the records examined by me and according to the information and explanations given to me, in my opinion, the Company is regular in depositing the undisputed statutory dues, [in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable to the company for the year under report] to the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

(02) Non-Payment of disputed Statutory dues: As explained to me and based on the records of the Company examined by me, no statutory dues referred to in sub-clause (a) remain unpaid on account of any dispute between the Company and authorities concerned, except the following:

| Sl. No. | Nature of the Statue | Nature of the dues | Amount (Rs. In Lacs) | Year to which the amounts relates | Forum where dispute is pending                                    |
|---------|----------------------|--------------------|----------------------|-----------------------------------|---|
| 1       | ESI                  | ESI contribution   | 0.77                 | Year – 2001                       | Employee Insurance court, Chennai                                 |
| 2       | Income Tax           | Income Tax Demand  | 132.74               | Assessment Year 2007-08           | CIT Appeals, Chennai  |
| 3       | The Central Excise   | Excise Demand      | 13.38                | 2007-08 to 2012-13                | Additional Commissioner of Central Excise Div. appeal Chennai III |

#### 08. Clause 3(viii) of the Order, relating to unrecorded transactions

(01) During the year under report, no Tax Assessment under the Income Tax Act, 1961 (43 of 1961) has been made. Accordingly, surrendering or disclosing of income during the year in the tax assessments under the Income Tax Act, 1961 does not arise;

(02) The remaining part of the Clause, namely, “whether the previously unrecorded income has been properly recorded in the books of account during the year” is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.

#### 09. Clause 3(ix)(a) of the Order, relating to default in repayment of Loan

(01) Clause 3(ix)(a) of the Order, relating to Repayment of any Loan  
The Company has not defaulted in repayment of any loan. Accordingly, I have not reported the period and the amount of default (lender wise details).

(02) Clause 3(ix)(b) of the Order, relating to Willful Defaulter  
As per the explanation/ representation given to me, the company is not a declared willful defaulter by any bank or financial institution or other lender

(03) Clause 3(ix)(c) of the Order, relating to application of Term Loans

(a) Bank Term Loan

(i) The Company has not obtained any term loan, during the year under report, from Banks, Financial Institution, etc.; no Term Loan taken by the Company from the aforesaid parties, during the earlier years, is outstanding as on the date of the Financial Statements.

(ii) Accordingly, application of the Term Loan for the purpose for which the loans were obtained does not arise.

(b) Reporting on application of Term Loan

In view of the above, I have not reported the details of the amount of loan so diverted and the purpose for which it is used.

# EL FORGE LIMITED

## Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure-02 of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

- (04) Clause 3(ix)(d) of the Order, relating to application of Short-Term fund for long term purposes
- (a) The funds raised by the Company on short term basis have not been utilized for long term purposes;
  - (b) The remaining part of the Clause, namely, "Indicating the nature and amount" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
- (05) Clause 3(ix)(e) of the Order, relating to taking of any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures
- (a) In my opinion this clause is applicable only to Holding Company [in other words, the company does not have any subsidiary, associate or joint venture, etc.], within the meaning of the Companies Act, 2013. Since the Company is not a Holding Company, this clause is not applicable in its entirety.
  - (b) Hence, this Clause, namely "Whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case" is not applicable to the company for the year under report.
- (06) Clause 3(ix)(f) of the Order, relating to raising funds on the pledge of securities of its subsidiaries, associates or joint ventures
- (a) In my opinion this clause is applicable only to Holding Company [in other words, the company does not have any subsidiary, associate or joint venture, etc.], within the meaning of the Companies Act, 2013. Since the Company is not a Holding Company, this clause is not applicable in its entirety.
  - (b) Hence, this Clause, namely "Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised" is not applicable to the company for the year under report.
- 10. Clause 3(x)(a) of the Order, relating to further issue of shares**
- (01) Clause 3(x)(a) of the Order, relating to initial public offer or further public offer:
- (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year under report;
  - (b) The remaining part of the Clause, namely, "Reporting of the details together with delays or default and subsequent rectification, if any, as may be applicable" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
- (02) Clause 3(x)(b) of the Order, relating to preferential allotment or private placement
- (a) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible), during the year under report;
  - (b) The remaining part of the Clause, namely, "Whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance" is not applicable to the Company for the year under report. Accordingly, I have not stated anything in the above regard.
- 11. Clause 3(xi) of the Order, relating to Fraud & whistle-blower complaints**
- (01) Clause 3(xi)(a), relating to instance of Fraud
- During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of any fraud by the Company or on the Company, noticed or reported during the year, nor have I been informed of any such case by the Management.
- (02) Clause 3(xi)(b), relating to Reporting of Fraud
- During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

## **EL FORGE LIMITED**

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### **Independent Auditor's Report on the Financial Statements (Continued)**

**To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

**Annexure-02** of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [*Referred in paragraph 10(01) of the aforesaid Report*]

- (03) Clause 3(xi)(c), relating to whistle-blower complaint  
During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, the Company has not received whistle-blower complaints during the year, and accordingly, there has been no need for me to consider the same and no bearing on my audit and reporting.
- 12. Clause 3(xii) of the Order, relating to Nidhi Company**
- (01) In my opinion, the Company is not carrying out any activities resulting in Nidhi, accordingly reporting of certain matters, under the clause, namely, "(01) the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet, (02) compliance with the maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; (03) details of default in payment of interest on deposits or repayment thereof for any period", are not applicable to company for the financial year under report; and
- (02) In view of the above, I have not made any observation under the aforesaid Clause.
- 13. Clause 3(xiii) of the Order, relating to sections 177 and 188 of the Act.**
- (01) It has been explained that the related party transactions have been entered into (by the Company and with Related Parties) in the ordinary course of business (or incidental to the ordinary course of business of the company) and on an arm's length basis; accordingly, approval of the Board of Directors and shareholders is not required in respect of related party transactions entered into by the company.
- (02) As matter of abundant caution, the company has obtained the approval of Board of Directors in respect of the Related Party Transactions, covered under section 2(76) of the Act.
- (03) Considering the above, in my opinion, the Company has complied with the provisions of Sections 177 and 188 of Act, where applicable; and the details relating to Related Party Transactions have been disclosed in the Financial Statements of the Company (i.e., the Management of the Company), as required by the applicable accounting standards, for the year under report.
- 14. Clause 3(xiv)(a) of the Order, relating to Internal Audit Systems**
- (01) Clause 3(xiv)(a), relating Internal Audit Systems, commensurate with business  
In my opinion and according to the information and explanation given to me, the Company has an internal audit system commensurate with the size and nature of its business.
- (02) Clause 3(xiv)(b), reports of the Internal Auditors  
I have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of my audit procedures.
- 15. Clause 3(xv) of the Order, relating to Non-Cash Transactions**
- (01) During the financial year under report, the company has not entered into any non-cash transactions with director(s) or persons connected with him (them);
- (02) The remaining part of the Clause, namely, "Whether the provisions of section 192 of Act have been complied with" is not applicable to the company for the year under report.
- 16. Clause 3(xvi) of the Order, relating to registration under section 45-IA of the Reserve Bank of India Act, 1934**
- (01) Clause 3(xvi)(a) Registration under section 45-IA of the Reserve Bank of India Act, 1934  
During the financial year under report, the Company is not falling under the category or definition of a "Non-Banking Financial Company", as defined under Clause (f) of Section 45-I of Reserve Bank of India Act, 1934. Accordingly, in my opinion, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 [RBI Act, 1934].

# EL FORGE LIMITED

## Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure-02 of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

(02) Clause 3(xvi)(b), relating to conducting of NBFC Activities, without Certificate of registration

Since the Company is not carrying out any Non-Banking Financial Companies (NBFC) or Housing Finance activities, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934; accordingly, "carrying out the aforesaid activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the RBI Act, 1934" is not applicable to the Company for the year under report.

(03) Clause 3(xvi)(c) Core Investment Company (CIC)

In my opinion and according to the information and explanation given to me, the Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the entire clause of the Order, as given below, is not applicable:

"Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfill the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfill such criteria"

(04) Clause 3(xvi)(d) Core Investment Company (CIC)

As represented by the management, the Company (or Group) does not have any Core Investment Company as part of the Company (or Group) as per the definition of Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the entire clause of the Order, as given below, is not applicable:

"Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group"

### 17. Clause 3(xvii) of the Order, relating to Cash Loss

(01) The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

(02) The remaining part of the Clause, namely, "Stating the amount of cash losses" is not applicable to the company for the year under report.

### 18. Clause 3(viii) of the Order, relating to resignation of the statutory auditors

There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

### 19. Clause 3(xix) of the Order, relating to the capability of the company to meet its liabilities existing at the date of balance sheet as and when falls due

According to the information and explanations given to me and on the basis of the (01) financial ratios of the current year, (02) ageing and expected dates of realization of financial assets and payment of financial liabilities, (03) other information accompanying the financial statements (04) my knowledge of the Board of Directors and management plans (which relate to future events and are reduced into financial amount) and (05) based on my examination of the evidence supporting the assumptions (the source of which is of internal management), nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

# EL FORGE LIMITED

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## **Independent Auditor's Report on the Financial Statements (Continued)**

**To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

**Annexure-02** of Statement on the matters specified in paragraphs 3 of the Companies (Auditor's Report) Order, 2020 [Referred in paragraph 10(01) of the aforesaid Report]

### **20. Clause 3(xx) of the Order, relating to Corporate Social Responsibility**

- (01) Clause 3(xx)(a), Transferring to fund relating to Corporate Social Responsibility  
Up to the immediately preceding financial year, the provisions of section 135 (which deals with Corporate Social Responsibility) of the Act are not applicable. Accordingly, the entire clause, given below, is not applicable to the Company for the year under report.

“Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section 5 of section 135 of the said Act”

- (02) Clause 3(xx)(b), relating to meeting the obligation Corporate Social Responsibility  
Up to the immediately preceding financial year, the provisions of section 135 (which deals with Corporate Social Responsibility) of the Act are not applicable. Accordingly, the entire clause, given below, is not applicable to the Company for the year under report

“Whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, 2013, pursuant to any ongoing project, has been transferred to special account in compliance with provision of sub-section (6) of section 135 of the of the Act”

### **21. Clause 3(xxi) of the Order, relating to Qualifications in the Financial Statements included in Consolidated Financial Statements**

In my opinion, this Clause shall apply to cases where consolidated Financial Statements are required to be prepared. Since the Company is not a holding Company within the meaning of Section 2(46) of the Companies Act, 2013, this clause is not applicable to the Company, for the year under report. Accordingly, the entire clause, given below, is not applicable to the Company.

“Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks

D. Venkatesan (ICAI M. No.: 026465)  
Chartered Accountant  
UDIN: 24026465BKDBGK7236

Place: Chennai.  
Date: 24-05-2024

# EL FORGE LIMITED

## Independent Auditor's Report on the Financial Statements (Continued)

To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]

Annexure 03 of Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of El Forge Limited [Referred in paragraph 10(02)(f) of the aforesaid Report]

### 01. Financial Statements, period, Name etc.

I have audited the internal financial controls with reference to standalone Ind AS financial statements of El Forge Limited ("the Company") as of March 31, 2024 in conjunction with my audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### 02. Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### 03. Auditor's Responsibility

(01) My responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

(02) My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. My audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

(03) I believe that the audit evidence, I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

### 04. Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that

(01) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(02) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(03) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.



# EL FORGE LIMITED

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**Independent Auditor's Report on the Financial Statements (Continued)**

**To the Members of El Forge Limited [CIN: L34103TN1934PLC000669]**

**Annexure 03 of Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of El Forge Limited [Referred in paragraph 10(02)(f) of the aforesaid Report]**

**05. Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**06. Opinion**

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

D. Venkatesan (ICAI M. No.: 026465)

Chartered Accountant

UDIN: 24026465BKDBGK7236

Place: Chennai.

Date: 24-05-2024

# EL FORGE LIMITED

Balance Sheet as at March 31, 2024 (Amounts in Indian Rupees in Lakh, unless stated otherwise)

| Particulars   | Note No. | As at 31-03-2024 | As at 31-03-2023 |
|---|----------|------------------|------------------|
| <b>ASSETS</b>   |          |                  |                  |
| Non-current assets  |          |                  |                  |
| Property, Plant and Equipment                               | 1.01     | 2179.64          | 2347.42          |
| Intangible Assets   |          | 21.14            | 0.00             |
| Capital work-in-progress                                    |          | 0.00             | 0.00             |
| Financial Assets  |          |                  |                  |
| (i) Investments   | 1.02     | 0.01             | 0.01             |
| (iv) Others   | 1.03     | 108.22           | 85.40            |
| Other Non-Current Assets                                    | 1.04     | 0.00             | 1.26             |
| <b>Total Non-Current Assets</b>                             |          | <b>2309.01</b>   | <b>2434.09</b>   |
| Current assets  |          |                  |                  |
| Inventories   | 1.05     | 379.71           | 417.75           |
| Financial Assets  |          |                  |                  |
| (i) Investments   |          |                  |                  |
| (ii) Trade Receivables                                      | 1.06     | 544.23           | 378.32           |
| (iii) Cash and cash equivalents                             | 1.07     | 351.28           | 228.80           |
| (iv) Bank Balances, other than above (iii)                  | 1.08     | 3.74             | 3.74             |
| Other Current Assets  | 1.09     | 118.76           | 183.60           |
| Current Tax (Net)   | 1.10     | 88.76            | 65.44            |
| <b>Total Current Assets</b>                                 |          | <b>1486.48</b>   | <b>1277.65</b>   |
| <b>Total Assets [ Non-Current Assets + Current Assets ]</b> |          | <b>3795.50</b>   | <b>3711.74</b>   |
| <b>EQUITY AND LIABILITIES</b>                               |          |                  |                  |
| Equity  |          |                  |                  |
| Equity Share Capital  | 1.11     | 2032.43          | 2032.43          |
| Other Equity  | 1.12     | 215.54           | -8112.88         |
| <b>Total Equity</b>   |          | <b>2247.97</b>   | <b>-6080.44</b>  |
| Liabilities   |          |                  |                  |
| Non-current liabilities                                     |          |                  |                  |
| Financial Liabilities                                       |          |                  |                  |
| (i) Borrowings  | 1.13     | 0.00             | 1211.12          |
| (ii) Other Financial Liabilities                            | 1.14     | 468.98           | 7525.01          |
| <b>Total Non-current liabilities</b>                        |          | <b>468.98</b>    | <b>8736.13</b>   |
| Current liabilities   |          |                  |                  |
| Financial Liabilities                                       |          |                  |                  |
| (i) Borrowings  |          | 0.00             | 0.00             |
| (ii) Trade Payables   | 1.15     | 845.92           | 749.15           |
| (a) Due to Micro and Small Enterprises (SME)                |          |                  |                  |
| (b) Due to Other than MSE                                   |          |                  |                  |
| (iii) Other Financial Liabilities                           | 1.16     | 155.29           | 158.54           |
| Other Current Liabilities                                   | 1.17     | 70.78            | 71.18            |
| Provisions  | 1.18     | 6.56             | 77.18            |
| Current Tax Liabilities (Net)                               |          | 0.00             | 0.00             |
| <b>Total Current liabilities</b>                            |          | <b>1078.55</b>   | <b>1056.05</b>   |
| <b>Total Equity and Liabilities</b>                         |          | <b>3795.50</b>   | <b>3711.74</b>   |

*Basic information of the Company & Financial Statements (FS) information, are given in Note No.3.00.*

*Material Accounting Policies & other information are given in Note No. 4.00 and 5.00 respectively.*

On behalf of Board of El Forge Limited  
CIN: L34103TN1934PLC000669

As per my report of even date attached  
UDIN: 24026465BKDBGK7236

V. SRIKANTH                      K. V. RAMACHANDRAN  
Chairman                          Vice Chairman & Managing Director  
(DIN 00076856)                      (DIN: 00322331)

D.VENKATESAN  
Chartered Accountant  
ICAI M. No. 026465

R. SOWMITHRI  
Chief Financial Officer & Company Secretary  
Place: Chennai  
Date: 24-05-2024

Place: Chennai  
Date: 24-05-2024

# EL FORGE LIMITED

Statement of Profit or Loss for the Financial Year ended March 31, 2024 (Amount in Rs.)

| Particulars  | Note No. | For 2023-24    | For 2022-23    |
|--|----------|----------------|----------------|
| <b>01. Income</b>  |          |                |                |
| Revenue from operations  | 2.01     | 6832.24        | 5846.31        |
| Land Income  |          | 0.00           | 0.00           |
| Other income   | 2.02     | 40.52          | 4.99           |
| <b>Total Income</b>  |          | <b>6872.76</b> | <b>5851.30</b> |
| <b>02. Expenses</b>  |          |                |                |
| Cost of Materials and Services Consumed                                    | 2.03     | 3771.53        | 3216.78        |
| Changes in inventories of FG, SIT and WIP*                                 | 2.04     | 84.04          | -56.91         |
| Cost of the Land Sold  |          | 0.00           | 0.00           |
| Employee Benefits Expenses   | 2.05     | 991.01         | 965.45         |
| Finance Costs  | 2.06     | 47.84          | 39.77          |
| Depreciation and Amortisation Expense                                      | 2.07     | 184.20         | 488.71         |
| Other Expenses   | 2.08     | 1487.79        | 1335.01        |
| <b>Total Expenses</b>  |          | <b>6566.41</b> | <b>5988.81</b> |
| * Finished goods, stock-in-trade and work-in-progress                      |          |                |                |
| <b>03. Profit/ (Loss) before, exceptional items and tax</b>                |          | <b>306.35</b>  | <b>-137.52</b> |
| <b>04. Exceptional items [ Income (-) / Expenses ]</b>                     | 2.09     | <b>150.00</b>  | <b>93.15</b>   |
| <b>05. Profit/ (Loss) before extraordinary items and tax [05 = 03 -04]</b> |          | <b>156.35</b>  | <b>-230.66</b> |
| <b>06. Extraordinary Items [ Income (-) / Expenses ]</b>                   | 2.10     | <b>6955.35</b> | <b>0.00</b>    |
| <b>07. Profit/ (Loss) before tax [ 07= 05 - 06 ]</b>                       |          | <b>7112.20</b> | <b>-230.66</b> |
| <b>08. Tax expense:</b>  |          |                |                |
| (a) Current tax expense  |          | 0.00           | 0.00           |
| (b) Deferred Tax   |          | 0.00           | 0.00           |
| <b>09. Profit for the year from continuing operations [ 09 = 07- 08]</b>   |          | <b>7112.20</b> | <b>-230.66</b> |
| <b>10. Profit from discontinued operations</b>                             |          | <b>0.00</b>    | <b>0.00</b>    |
| <b>11. Tax Expense of discontinued operations</b>                          |          | <b>0.00</b>    | <b>0.00</b>    |
| <b>12. Profit for the year from discontinued operations [ 12 = 10-11 ]</b> |          | <b>0.00</b>    | <b>0.00</b>    |
| <b>13. Net profit/(Loss) for the period [ 13 = 09+12]</b>                  |          | <b>7112.20</b> | <b>-230.66</b> |
| <b>14. Other Comprehensive Income</b>                                      |          |                |                |
| (01) Items not be reclassified   |          |                |                |
| (a) Items that will not be reclassified to Profit or Loss                  |          | 0.00           | 0.00           |
| (b) Tax on Items that will not be reclassified to Profit or Loss           |          | 0.00           | 0.00           |
| Loss   |          | 0.00           | 0.00           |
| (c) Net of Tax on Items that will not be reclassified to Profit or Loss    |          | 0.00           | 0.00           |
| (02) Items be reclassified   |          |                |                |
| (a) Items that will be reclassified to Profit or Loss                      |          | 0.00           | 0.00           |
| (b) Tax on Items that will be reclassified to Profit or Loss               |          | 0.00           | 0.00           |
| (c) Net of Tax on Items that will be reclassified to Profit or Loss        |          | 0.00           | 0.00           |
| (03) Total Other Comprehensive Income [ 14= (01)(c) - (02)(c) ]            |          | 0.00           | 0.00           |
| <b>15. Total Comprehensive Income [ 15 = 13 + 14 ]</b>                     |          | <b>7112.20</b> | <b>-230.66</b> |
| <b>16. Earnings per equity share (Face value Rs.10 each)</b>               |          |                |                |
| (01) For Continuing Operations   |          |                |                |
| - Basic (in Rs.)   | 2.11     | 34.99          | -1.13          |
| - Diluted (in Rs.)   | 2.11     | 34.99          | -1.13          |
| <b>17. Earnings per equity share (Face value Rs.10 each)</b>               |          |                |                |
| (01) For Discontinued & Continuing operation                               |          |                |                |
| - Basic (in Rs.)   |          |                |                |
| - Diluted (in Rs.)   |          |                |                |

*Basic information of the Company & Financial Statements (FS) information, are given in Note No.3.00.*

*Major Accounting Policies & other information are given in Note No. 4.00 and 5.00 respectively.*

On behalf of Board of El Forge Limited

As per my report of even date attached

CIN: L34103TN1934PLC000669

UDIN: 24026465BKDBGK7236

V. SRIKANTH

K. V. RAMACHANDRAN

D.VENKATESAN

Chairman

Vice Chairman & Managing Director

Chartered Accountant

(DIN 00076856)

(DIN: 00322331)

ICAI M. No. 026465

R. SOWMITHRI

Chief Financial Officer & Company Secretary

Place: Chennai

Place: Chennai

Date: 24-05-2024

Date: 24-05-2024

## EL FORGE LIMITED

### Statement of Change in Equity for the year ended 31-03-2024 (Amount in Rs. Lakhs)

| A. Equity Share Capital                                   |                     |                          |  |                                   |  |   |               |
|---|---------------------|--------------------------|--|-----------------------------------|--|---|---------------|
| Particulars   |                     | Balance As at 31-03-2024 | Changes in Equity Share Capital due to prior period errors | Restated balance As at 31-03-2024 | Changes in equity share capital during 2023-24 | Balance as at As at 31-03-2024            |               |
| Balance at the beginning of the current reporting period  |                     | 2032.43                  | 0.00   | 2032.43                           | 0.00   | 2032.43                                   |               |
|   |                     |                          |  |                                   |  |   |               |
| Particulars   |                     | Balance As at 31-03-2023 | Changes in Equity Share Capital due to prior period errors | Restated balance As at 31-03-2023 | Changes in equity share capital during 2022-23 | Balance as at As at 31-03-2023            |               |
| Balance at the beginning of the Previous reporting period |                     | 2032.43                  | 0.00   | 2032.43                           | 0.00   | 2032.43                                   |               |
| B. Other Equity   |                     |                          |  |                                   |  |   |               |
| Particulars   | Reserve and Surplus |                          |  |                                   |  | Other items of Other Comprehensive Income | Total         |
|   | Capital Reserve     | Capital Redemption       | Securities Premium   | General Reserve                   | Retained Earning                               |   |               |
| Balance [Credit/ Debit (-)] as at 01-04-2023              | 215.85              |                          | 2263.97  | 1003.18                           | -11595.88                                      | 0.00                                      | -             |
| Profit / loss (-) for the year 2023-24                    | 0.00                | 0.00                     | 0.00   | 0.00                              | 7112.20  | 0.00                                      | 7112.20       |
| Other Comprehensive income for the year 2023-24           | 0.00                | 0.00                     | 0.00   | 0.00                              | 0.00   | 0.00                                      | 0.00          |
| Changes in accounting policy or prior period errors       | 0.00                | 0.00                     | 0.00   | 0.00                              | 5.09   | 0.00                                      | 5.09          |
| Restated balance (Total Comprehensive Income)             | 215.85              |                          | 2263.97  | 1003.18                           | -4478.59                                       | 0.00                                      | -995.59       |
| Dividends Paid [ Shown, as negative figure (-) ]          |                     |                          |  |                                   | 0.00   |   |               |
| Transfer to retained earnings                             |                     |                          |  | 0.00                              | 0.00   |   |               |
| Transfer to Capital Redemption reserve                    | 0.00                | 1211.12                  | 0.00   |                                   | 0.00   |   | 1211.12       |
| <b>Balance as at 31-03-2023</b>                           | <b>215.85</b>       | <b>1211.12</b>           | <b>2263.97</b>   | <b>1003.18</b>                    | <b>-4478.59</b>                                | <b>0.00</b>                               | <b>215.54</b> |

# EL FORGE LIMITED

## B.Other Equity(Amount inRs.Lakhs)

| Particulars   | Reserve and Surplus |                            |                    |                 |                  | Other items of Other Comprehensive Income | Total          |
|---|---------------------|----------------------------|--------------------|-----------------|------------------|---|----------------|
|   | Capital Reserve     | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earning |   |                |
| <b>Balance as at 01-04-2022</b>                     | 215.86              | 0.00                       | 2263.97            | 1003.18         | 11365.22         | 0.00                                      | -              |
| Profit / loss (-) for the year 2022-23              | 0.00                | 0.00                       | 0.00               | 0.00            | -230.66          | 0.00                                      | -230.66        |
| Other Comprehensive income for the year 2022-23     | 0.00                | 0.00                       | 0.00               | 0.00            | 0.00             | 0.00                                      | 0.00           |
| Changes in accounting policy or prior period errors | 0.00                | 0.00                       | 0.00               | 0.00            | 5.09             | 0.00                                      | 0.00           |
| Restated balance (Total Comprehensive Income)       | 215.86              | 0.00                       | 2263.97            | 1003.18         | 11595.88         | 0.00                                      | 8112.88        |
| Dividends Paid [ Shown, as negative figure (-) ]    | 0.00                | 0.00                       | 0.00               | 0.00            | 0.00             | 0.00                                      | 0.00           |
| Transfer to retained earnings                       | 0.00                | 0.00                       | 0.00               | 0.00            | 0.00             | 0.00                                      | 0.00           |
| Transfer to Capital Redemption Reserve              | 0.00                | 0.00                       | 0.00               | 0.00            | 0.00             | 0.00                                      | 0.00           |
| Any other change (to be specified)                  | 0.00                | 0.00                       | 0.00               | 0.00            | 0.00             | 0.00                                      | 0.00           |
| <b>Balance as at 31-03-2023</b>                     | <b>215.86</b>       | <b>0.00</b>                | <b>2263.97</b>     | <b>1003.18</b>  | <b>11595.88</b>  | <b>0.00</b>                               | <b>8112.88</b> |

Basic information of the Company & Financial Statements (FS) information, are given in Note No.3.00.

Significant Accounting Policies & other information are given in Note No. 4.00 and 5.00 respectively.

On behalf of Board of El Forge Limited  
CIN: L34103TN1934PLC000669

As per my report of even date  
attached  
UDIN: 24026465BKDBGK7236

V. SRIKANTH    K. V. RAMACHANDRAN  
Chairman        Vice Chairman&ManagingDirector  
(DIN 00076856)    (DIN: 00322331)

D.VENKATESAN  
Chartered Accountant  
ICAI M. No. 026465

R. SOWMITHRI  
Chief Financial Officer & Company Secretary

Place:  
Chennai  
Date: 24-05-2024

Place: Chennai  
Date: 24-05-2024

# EL FORGE LIMITED

## Cash Flow Statement for the Financial Year 2023- 24 (Amount in Rs. Lakh)

| Particulars  | For the Year Ended<br>31-03-2024 | For the Year Ended<br>31-03-2024 | For the Year Ended<br>31-03-2023 | For the Year Ended<br>31-03-2023 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>01. Cash Flow from Operations</b>   |                                  |                                  |                                  |                                  |
| (01) Net Profit / Loss (-) before Tax  |                                  | 7112.20                          |                                  | -230.66                          |
| (02) Adjustment for [Add/ Less (-)]  |                                  |                                  |                                  |                                  |
| Depreciation   | 184.20                           |                                  | 488.71                           |                                  |
| Profit (-)/ Loss on Sales of Property, Plant & Equipment                             | -10.74                           |                                  | -1.47                            |                                  |
| Interest Expenses  | 47.84                            |                                  | 39.77                            |                                  |
| Profit/ Loss - Sales of Investments  | 0.00                             |                                  | 0.00                             |                                  |
| Interest Received  | -13.30                           |                                  |                                  |                                  |
| Dividend Received  | 0.05                             |                                  |                                  |                                  |
|  |                                  | 207.95                           |                                  | 527.01                           |
| (03) Operating Profit before working Capital Changes                                 |                                  | 7320.15                          |                                  | 296.35                           |
| (04) Adjustment for Net Changes in   |                                  |                                  |                                  |                                  |
| Current Liabilities & Provisions   | 22.49                            |                                  | 251.64                           |                                  |
| Trade Receivables  | -165.92                          |                                  | -179.09                          |                                  |
| Inventories  | 38.04                            |                                  | 12.11                            |                                  |
| Other Non-Current and Current Assets   | 19.96                            |                                  | -46.98                           |                                  |
| Other Non-Current Liabilities  | -7056.03                         |                                  |                                  |                                  |
|  |                                  | -7141.46                         |                                  | 37.69                            |
| (05) Cash Generation from Operation  |                                  | 178.69                           |                                  | 334.04                           |
| (06) Less: Other Provisions, if any  |                                  | 0.00                             |                                  | 0.00                             |
| (07) Net Cash from Operating Activities  |                                  | 178.69                           |                                  | 334.04                           |
| <b>02. Cash Flow from Investing Activities</b>                                       |                                  |                                  |                                  |                                  |
| Payment for Purchase of Property, Plant & Equipment                                  | -35.64                           |                                  | -184.21                          |                                  |
| Proceeds for sales Property, Plant & Equipment                                       | 13.92                            |                                  | 5.78                             |                                  |
| Proceeds for Sale of Investments   | 0.00                             |                                  | 0.00                             |                                  |
| Deposits (Given)/ Receipts   | 0.00                             |                                  | -25.50                           |                                  |
| Interest Received  | 13.30                            |                                  | 0.00                             |                                  |
| Dividend Received  | 0.05                             |                                  | 0.00                             |                                  |
| Net Cash Flow from Investing Activities  |                                  | -8.37                            |                                  | -203.93                          |
| <b>03. Cash Flow from Financing Activities</b>                                       |                                  |                                  |                                  |                                  |
| Interest Paid  | -47.84                           |                                  | -39.77                           |                                  |
| Net Cash Flow from Investing Activities  |                                  | -47.74                           |                                  | -39.77                           |
| <b>04. Net Increase/ Decrease in Cash &amp; Cash Equivalent (04= 01+02+03)</b>       |                                  | 122.48                           |                                  | 90.33                            |
| <b>05. Add: Cash &amp; Cash Equivalent- Opening Balance</b>                          |                                  | 232.54                           |                                  | 142.21                           |
| <b>06. Cash &amp; Cash Equivalent- Closing Balance [ 06 = 04 + 05 ]</b>              |                                  | 355.02                           |                                  | 232.54                           |
| <b>07. Cash &amp; Cash Equivalent- as per Financial Statements (Closing Balance)</b> |                                  | 355.02                           |                                  | 142.21                           |
| <b>Note: Closing Balance Cash &amp; Cash Equivalent- represents</b>                  |                                  |                                  |                                  |                                  |
| Cash in Hand   |                                  | 9.26                             |                                  | 13.83                            |
| Cash at Bank - Current A/c.  |                                  | 66.34                            |                                  | 29.60                            |
| : Deposit A/c.   |                                  | 275.68                           |                                  | 185.38                           |
| : Earmark A/c.   |                                  | 3.74                             |                                  | 3.74                             |
| <b>Total</b>   |                                  | 355.02                           |                                  | 232.54                           |

Major Accounting Policies & other information are given in Note No. 4.00 and 5.00 respectively.  
On behalf of Board of El Forge Limited As per my report of even date attached  
CIN: L34103TN1934PLC000669 UDIN: 24026465BKDBGK7236

V. SRIKANTH                      K. V. RAMACHANDRAN  
Chairman                          Vice Chairman & Managing Director  
(DIN 00076856)                  (DIN: 00322331)

D.VENKATESAN  
Chartered Accountant  
ICAI M. No. 026465

R. SOWMITHRI  
Chief Financial Officer & Company Secretary  
Place: Chennai  
Date: 24-05-2024

Place: Chennai  
Date: 24-05-2024

## EL FORGE LIMITED

Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)

### Note 1.01 Property, Plant and Equipment

| Particulars   | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| (01) Reconciliation                                 |                  |                  |
| (a) Gross Carrying Amount                           |                  |                  |
| (A) Opening Balance                                 | 12197.60         | 12197.60         |
| (B) Add: Acquisitions (Thro' business combinations) | 0.00             | 0.00             |
| (C) Add: Additions                                  | 40.73            | 184.21           |
| (D) Add/ Less (-): Deletion/ Other Adjustments      | 54.17            | -86.11           |
| (E) Total (amount in the End)                       | 12282.26         | 12295.70         |
| (b) Accumulated Depreciation                        |                  |                  |
| (A) Opening Balance                                 | 9948.28          | 9541.37          |
| (B) Add: Additions for the Year                     | 184.19           | 488.71           |
| (C) Add/ Less (-) : Adjustments                     | -51.00           | -81.80           |
| (D) Add: Impairment Loss                            | 0.00             | 0.00             |
| (E) Less: Reversal of Impairment Loss               | 0.00             | 0.00             |
| (F) Total   | 10081.47         | 9948.28          |
| (c) Net Block                                       |                  |                  |
| (A) Gross Block (Closing Balance)                   | 12282.25         | 12295.70         |
| (B) Less: Depreciation (Closing Balance)            | 10081.47         | 9948.28          |
| Net Amount  | <b>2200.78</b>   | <b>2347.42</b>   |

Footnote: Column-wise details are given in the Note 2.16.01

### Note 1.02 Financial Assets : Investments

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| (01) Investment in Equity Instruments                      |                  |                  |
| in Equity Instruments (Quoted)                             |                  |                  |
| Fully paid up shares of Rs.10/- each in Indus Ind Bank Ltd | 0.01             | 0.01             |
| Sub-Total  | 0.01             | 0.01             |
| Less: Impairment in Value of Investments, if any.          | -                | -                |
| Total Investment in Equity Instruments (Net)               | 0.01             | 0.01             |

(02) Market Value of the Quoted Investments

Footnote: The details of Quantity in respect of the above are given in the Note 2.16.02

# EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024**

**(Amt in Rs. Lakh)**

**Note 1.03 Financial Assets : Others**

| Particulars                | As at 31-03-2024 | As at 31-03-2023 |
|----------------------------|------------------|------------------|
| Unsecured, considered good |                  |                  |
| (01) Security Deposits     | 7.66             | 7.66             |
| (02) Others                |                  |                  |
| (a) EB Deposits            | 100.38           | 74.04            |
| (b) Other Deposits         | 0.17             | 3.70             |
| <b>Total</b>               | 108.21           | 85.40            |

**Note 1.04 Other Non-Current Assets**

| Particulars                   | As at 31-03-2024 | As at 31-03-2023 |
|-------------------------------|------------------|------------------|
| (01) Capital Advances         |                  |                  |
| Unsecured and considered good | 0.00             | 1.26             |
| <b>Total</b>                  | 0.00             | 1.26             |

**Note 1.05 Inventories**

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| (a) Raw materials and Components                   | 176.59           | 137.17           |
| (b) Work-in -progress                              | 2.10             | 19.43            |
| (c) Finished goods                                 | 139.38           | 130.68           |
| (d) Flash Stock                                    | 28.04            | 103.46           |
| (e) Stock-in-trade - Traded goods                  | -                | -                |
| (f) Stores, spares and consumable tools            | 33.59            | 27.02            |
| <b>Total</b>                                       | 379.71           | 417.75           |
| Less: Provision, if any, as against carrying value | 0.00             | 0.00             |
| <b>Net Amount</b>                                  | 379.71           | 417.75           |

Footnote: The details of method of valuation of Inventory are given in the Note No. 04.05

**Note 1.06 Trade Receivables**

| Particulars                                   | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| <b>(a) Undisputed Trade receivables</b>       |                  |                  |
| (i) Secured & Considered good                 | 0.00             | 0.00             |
| (ii) Unsecured but Considered good            | 544.23           | 378.32           |
| (iii) Considered doubtful                     | 0.00             | 0.00             |
| Sub-Total                                     | 544.23           | 378.32           |
| (iv) Less: Allowance for Bad & Doubtful debts | 0.00             | 0.00             |
| (v) Net Balance [ (v)= (i)+(ii)+(iii)-(iv) ]  | 544.23           | 378.32           |
| <b>(b) Disputed Trade receivables</b>         |                  |                  |
| (i) Secured & Considered good                 | 0.00             | 0.00             |
| (ii) Unsecured but Considered good            | 0.00             | 0.00             |
| (iii) Considered doubtful                     | 0.00             | 0.00             |
| Sub-Total                                     | 0.00             | 0.00             |
| (iv) Less: Allowance for Bad & Doubtful debts | 0.00             | 0.00             |
| (v) Net Balance [ (v)= (i)+(ii)+(iii)-(iv) ]  | 0.00             | 0.00             |
| <b>(c) Unbilled items, if any.</b>            |                  |                  |
| (i) Secured & Considered good                 | 0.00             | 0.00             |
| (ii) Unsecured but Considered good            | 0.00             | 0.00             |
| (iii) Considered doubtful                     | 0.00             | 0.00             |
| Sub-Total                                     | 0.00             | 0.00             |
| (iv) Less: Allowance for Bad & Doubtful debts | 0.00             | 0.00             |
| (v) Net Balance [ (v)= (i)+(ii)+(iii)-(iv) ]  | 0.00             | 0.00             |
| <b>(d) Summary only Net Balance</b>           |                  |                  |
| (i) Undisputed Trade Receivable               | 544.23           | 378.32           |
| (ii) Disputed Trade Receivable                | 0.00             | 0.00             |
| (iii) Unbilled items, if any.                 | 0.00             | 0.00             |
| <b>Total</b>                                  | 544.23           | 378.32           |

Footnote: Aging Schedule, in respect of the above are given in the Note 2.16.03



## EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03  
2024 (Amt in Rs. Lakh)**

**Note 1.07 Cash and cash equivalents**

| Particulars  | As at 31-03-<br>2024 | As at 31-03-<br>2023 |
|--|----------------------|----------------------|
| (01) Balances with Banks in Current account          | 66.34                | 29.60                |
| (02) Balance with deposit Account (including margin) | 275.68               | 185.38               |
| (03) Cash and stamps on hand                         | 9.26                 | 13.83                |
| <b>Total</b>   | <b>351.28</b>        | <b>228.80</b>        |

**Note 1.08 Bank Balances, other than above (iii)**

| Particulars                              | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Balance with Banks On Earmarked Accounts | 3.74             | 3.74             |
| <b>Total</b>                             | <b>3.74</b>      | <b>3.74</b>      |

**Note 1.09 Other Current Assets**

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Unsecured, Considered Good unless otherwise stated |                  |                  |
| (01) Material advances                             | 22.09            | 12.44            |
| (02) Balances with government authorities          |                  |                  |
| (a) GST Input Credit                               | 4.43             | 54.34            |
| (b) GST Refund Receivables                         | 0.00             | 3.31             |
| (03) Staff Advance                                 | 26.34            | 17.75            |
| (04) Prepaid Expenses                              | 60.08            | 95.76            |
| (05) Interest Accrued                              | 5.82             | 0.00             |
| <b>Total</b>                                       | <b>118.76</b>    | <b>183.60</b>    |

**Note 1.10 Current Tax (Net)**

| Particulars             | As at 31-03-2023 | As at 31-03-2023 |
|-------------------------|------------------|------------------|
| TDS and TCS Receivables | 88.76            | 65.44            |
| <b>Total</b>            | <b>88.76</b>     | <b>65.44</b>     |

# EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)**

**Note 1.11 Equity Share Capital**

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| (01) Authorised:   |                  |                  |
| (a) Equity Shares of Rs.10/= (Rupees Ten) each<br>2,60,00000 (Previous Year 2,60,00000) Numbers            | 2,600.00         | 2,600.00         |
| (b) Preference Shares of Rs.100/= (Rupees one Hundred) each<br>13,00,000 (Previous Year 13,00,000) Numbers | 1300.00          | 1300.00          |
| Total Authorised Capital   | 3900.00          | 3900.00          |

| Particulars   | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| (02) Issued, Subscribed and Paid up:  |                  |                  |
| (a) Equity Shares of Rs.10/= (Rupees Ten) each<br>2,03,24,304 (Previous year 2,03,24,304) Numbers | 2,032.43         | 2,032.43         |
| Total Paid up Capital   | 2032.43          | 2032.43          |
| (03) A reconciliation of the number of Equity shares  |                  |                  |
| (a) outstanding at the beginning  | 20324304         | 20324304         |
| (b) Add: Issued during the year/ period   | 0                | 0                |
| (c) Sub-Total   | 20324304         | 20324304         |
| (d) Less: Buy Back/ Adjustments   | 0                | 0                |
| (e) Number of shares at the end   | 20324304         | 20324304         |
| (04) Aggregated amount of shares Capital  |                  |                  |
| (a) Paid Up capital   | 2032.43          | 2032.43          |
| (b) Less: Calls-in Arrears  | 0.00             | 0.00             |
| (c) Add: Forfeited shares   | 0.00             | 0.00             |
| (d) Closing Balance   | 2032.43          | 2032.43          |
| (05) Person holding 5% or more of the shares (No. and %)  |                  |                  |
| Chendur Forgings Limited  |                  |                  |
| Number  | 6406956.00       | 6385006.00       |
| Percentage  | 31.52%           | 31.42%           |

(06) Details on equity shares

(i) During the immediately preceding five financial years, no share has been

|   |   |   |
|---|---|---|
| (a) issued as fully paid up, pursuant to contract without payment being received in cash ( Number of shares allotted) ; | 0 | 0 |
| (b) issued as fully paid up by way of bonus shares (Aggregate number and class of shares allotted); and                 | 0 | 0 |
| (c) Bought back (Aggregate number and class of shares);   | 0 | 0 |

(ii) During the immediately preceding five financial years,

|  |   |   |
|--|---|---|
| (a) No calls unpaid (showing aggregate value of calls unpaid by Directors and officers) on shares subscribed by the members; | 0 | 0 |
|--|---|---|

|  |   |   |
|--|---|---|
| (b) No shares have been forfeited (amount originally paid up) by the company | 0 | 0 |
|--|---|---|

(07) Details of Equity Shares held by the promoters and changes thereof

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| No. of shares at beginning of the Year (i.e., 01-04-23 / 01-04-2022) | 8273677          | 8273358          |
| No. of shares at the end of the Year (i.e., 31-03-2024/ 31 03 2023)  | 8295627          | 8273677          |
| % of Total Shares  | 40.82            | 40.71            |
| % change during the year (i.e., FY 2023-24/ FY 2022 23)              | 0.11             | 0                |

Footnote: promoter-wise details, in respect of the above are given in the Note 2.16.07

(08) Further details on equity Shares

(a) The Company has two kinds of shares, namely Equity Shares and Preference Shares

(b) The Company has only one class of equity shares

(c) Preference Shares are enabled as liabilities in the Previous year, Current Year – Nil

(d) Since there is only one class of shares the rights, preferences & restrictions attaching to each class are not applicable

(e) No shares are held by any holding company.

(f) No shares are reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment

## EL FORGE LIMITED

### Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024

(Amt in Rs. Lakh)

#### Note 1.12 Other Equity

| Particulars  | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| (01)Securities Premium Account   | 2263.97          | 2263.97          |
| Balance as at the beginning of the period                                  |                  |                  |
| Add: Pursuant to business combination                                      |                  |                  |
| Add: Premium on issue of shares  |                  |                  |
| Less: Utilized/ Adjusted (Right Issue Expenses)                            |                  |                  |
| Balance as at the end of the period  | 2263.97          | 2263.97          |
| (02) Capital Reserve   |                  |                  |
| Balance as at the beginning of the year                                    | 215.86           | 215.86           |
| Add: Additions/ Transfers/ Created   | -                | -                |
| Less: Transfers/ Utilized/ Adjusted  | -                | -                |
| Balance as at the end of the period  | 215.86           | 215.86           |
| (03) Capital Redemption Reserve  |                  |                  |
| Balance as at the beginning of the year                                    | -                | -                |
| Add: Additions/ Transfers/ Created   | 1211.12          | -                |
| Less: Transfers/ Utilized/ Adjusted  | -                | -                |
| Balance as at the end of the period  | 1,211.12         | -                |
| (04) General Reserve   |                  |                  |
| Balance as at the beginning of the year                                    | 1,003.18         | 1,003.18         |
| Add: Additions/ Transfers/ Created   | -                | -                |
| Less: Transfers/ Utilized/ Adjusted  | -                | -                |
| Balance as at the end of the period  | 1003.18          | 1003.18          |
| (05) Retained Earnings (Surplus in Statement of Profit and Loss)           |                  |                  |
| Balance as at the beginning of the year profit/(loss)                      | -11595.88        | -11365.22        |
| Add: Current year profit/(loss)  | 156.34           | -230.66          |
| Less: Prior Period Items   | 5.09             | 0.00             |
| Less: Extraordinary Items  | 6955.840         | 0.00             |
| Balance as at the end of the year profit/(loss)                            | -4478.59         | -11595.88        |
| (05) Summary of the Other Equity (Year End Balance only)                   |                  |                  |
| (a) Capital Reserve  | 1426.97          | 215.86           |
| (b) Capital Redemption Reserve   | 1211.12          | -                |
| (c) Securities Premium Account   | 2263.97          | 2263.97          |
| (d) General Reserve  | 1003.18          | 1003.18          |
| (e) Retained Earnings [Surplus/ Deficit (-), Statement of Profit and Loss] | -4478.59         | -11365.22        |
| Total  | 215.54           | -8112.88         |

#### Note 1.13 Borrowings ( Non-current liabilities, Financial Liabilities)

| Particulars                                 | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| (01) Unsecured Borrowings at Amortised Cost |                  |                  |
| Preference Share -Liability                 | 0.00             | 1,211.12         |
| Total                                       | 0.00             | 1211.12          |

#### Note 1.14 Other Financial Liabilities

| Particulars                                 | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| (01) Secured Borrowings (At amortised cost) |                  |                  |
| Loans from Others                           | 468.98           | 468.98           |
| (02) Unsecured                              |                  |                  |
| Advances Received                           | 0.00             | 7,056.03         |
| Total                                       | 468.98           | 7525.01          |

## EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)**

### **Note 1.15 Trade Payables**

| Particulars                   | As at 31-03-2024 | As at 31-03-2023 |
|-------------------------------|------------------|------------------|
| (01) Due to MESE*             |                  |                  |
| (a) Undisputed Amount         | -                | -                |
| (b) Disputed Amount           | -                | -                |
| Sub-Total (MESE)              | 0.00             | 0.00             |
| (02) Due to other than MESE   |                  |                  |
| (a) Undisputed Amount         | 845.92           | 749.15           |
| (b) Disputed Amount           | -                | -                |
| Sub-Total (Other than MESE)   | 845.92           | 749.15           |
| (03) Summary of Trade Payable |                  |                  |
| (i) Due to MESE               | 0.00             | 0.00             |
| (ii) Due to Other than MESE   | 845.92           | 749.15           |
| Summary as at Particulars     | 845.92           | 749.15           |

\* Micro Enterprises and Small Enterprises

Footnote: Details of Aging Schedule of the above are given in the Note 2.16.06

### **Note 1.16 Current liabilities, Other Financial Liabilities**

| Particulars   | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Current maturities of Long-term debts at amortised cost | -                | -                |
| Interest accrued and due on borrowings                  | 57.39            | 59.38            |
| Unclaimed dividend                                      | 3.74             | 3.74             |
| Unclaimed Public Deposits                               | -                | -                |
| Employee Benefits                                       | 94.16            | 95.41            |
| Total   | 155.29           | 158.54           |

### **Note 1.17 Other Current Liabilities**

| Particulars               | As at 31-03-2024 | As at 31-03-2023 |
|---------------------------|------------------|------------------|
| a) Advance from Customers | 0.00             | 0.00             |
| b) Statutory Liabilities  | 70.77            | 71.18            |
| Total                     | 70.77            | 71.18            |

### **Note 1.18 Provisions**

| Particulars                           | As at 31-03-2024 | As at 31-03-2023 |
|---------------------------------------|------------------|------------------|
| a) Provision for employee benefits    |                  |                  |
| i. Post retirement benefits- Gratuity | 6.56             | 77.18            |
| Total                                 | 6.56             | 77.18            |

## EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024 (Amt in Rs. Lakh)**

### **Note 2.01 Revenue from operations**

| Particulars                                   | For 2023-24    | For 2022-23    |
|---|----------------|----------------|
| (01) Sale of Products                         |                |                |
| Manufactured Goods (Steel Forgings)           | 5454.33        | 4,736.62       |
| (02) Sale of Services (Labour Charges)        | 627.09         | 496.33         |
| (03) Other operating revenues (Sale of Flash) | 750.82         | 613.36         |
| <b>Total</b>                                  | <b>6832.24</b> | <b>5846.31</b> |

### **Note Land Income**

| Particulars  | For 2023-24 | For 2022-23 |
|--------------|-------------|-------------|
| Sale of land | -           | -           |
| <b>Total</b> | <b>0.00</b> | <b>0.00</b> |

### **Note 2.02 Other income**

| Particulars                                  | For 2023-24  | For 2022-23 |
|--|--------------|-------------|
| Dividend income from Non-Current Investments | 0.05         | 0.03        |
| Profit on exchange fluctuation               | 0.58         | 0.16        |
| Interest Receipts                            | 13.30        | 0.00        |
| Miscellaneous Receipts                       | 13.59        | 4.79        |
| Profit on Sale of Fixed Assets               | 13.00        | 0.00        |
| <b>Total</b>                                 | <b>40.52</b> | <b>4.99</b> |

### **Note 2.03 Cost of Materials and Services Consumed**

| Particulars                                      | For 2023-24    | For 2022-23    |
|--|----------------|----------------|
| Opening Stock                                    | 137.17         | 160.75         |
| Add: Purchases                                   | 3811.21        | 3,193.19       |
| Less Closing Stock                               | -176.85        | 137.17         |
| <b>Cost of Materials &amp; Services Consumed</b> | <b>3771.53</b> | <b>3216.78</b> |

### **Note 2.04 Changes in inventories of FG, SIT and WIP\***

| Particulars                                 | For 2023-24  | For 2022-23   |
|---|--------------|---------------|
| (01) Opening Inventories                    |              |               |
| - Work-in-progress                          | 19.43        | 21.02         |
| - Finished goods                            | 130.68       | 136.76        |
| - Flash Stock                               | 103.46       | 38.88         |
| Total, Opening Inventories                  | 253.57       | 196.65        |
| (02) Closing Inventories                    |              |               |
| - Work-in-progress                          | 2.10         | 19.43         |
| - Finished goods                            | 139.38       | 130.68        |
| - Flash Stock                               | 28.04        | 103.46        |
| Total, Closing Inventories                  | 169.53       | 253.57        |
| (03) Changes in Inventories                 |              |               |
| Total, Opening Inventories                  | 253.57       | 196.65        |
| Total, Closing Inventories                  | 169.53       | 253.57        |
| <b>Net change [ Increase (-)/ Decrease]</b> | <b>84.04</b> | <b>-56.91</b> |

### **Note 2.05 Employee Benefits Expenses**

| Particulars  | For 2023-24   | For 2022-23   |
|--|---------------|---------------|
| a) Salaries, wages, and bonus                          | 617.66        | 600.73        |
| b) Contribution to provident, gratuity and other funds | 43.14         | 101.48        |
| c) Welfare expenses                                    | 330.21        | 263.24        |
| <b>Total</b>   | <b>991.01</b> | <b>965.45</b> |

### **Note 2.06 Finance Costs**

| Particulars                                  | For 2023-24  | For 2022-23  |
|--|--------------|--------------|
| a) Interest Expense                          | 46.90        | 38.85        |
| b) Interest Expenses on preference liability | -            | -            |
| c) Other borrowing costs                     | 0.94         | 0.92         |
| <b>Total</b>                                 | <b>47.84</b> | <b>39.77</b> |

## EL FORGE LIMITED

**Notes annexed to and forming an integral part of the  
Financial Statements as at 31-03-2024 (Amt in Rs. Lakh)  
Note 2.07 Depreciation and Amortisation Expense**

| Particulars                                     | For 2023-24 | For 2022-23 |
|---|-------------|-------------|
| Depreciation on Tangible assets                 |             |             |
| (i) Buildings                                   | 65.75       | 65.75       |
| (ii) Plant and equipment                        | 111.09      | 403.87      |
| (iii) Electrical Installations                  | 0.86        | 14.19       |
| (iv) Furniture and fittings                     | 0.05        | -           |
| (v) Office equipment's                          | 0.29        | 0.34        |
| (vi) Computers                                  | 2.07        | 1.41        |
| (vii) Motor Vehicle                             | 3.16        | 3.16        |
| Total Depreciation on Tangible assets           | 183.26      | 488.71      |
| Amortisation Expense on Intangible assets       |             |             |
| (i) Brand/Trademarks                            |             |             |
| - Acquired                                      | -           | -           |
| (ii) Software's                                 |             |             |
| - Acquired                                      | 0.93        | -           |
| Total Amortisation Expense on Intangible assets | 0.93        | 0.00        |
| (B)   | 0.93        | 0.00        |
| Depreciation and Amortisation Expenses          |             |             |
| Total Depreciation on Tangible assets           | 183.26      | 488.71      |
| Total Amortisation Expense on Intangible assets |             |             |
| (B)   | 0.93        | 0.00        |
| Total   | 184.20      | 488.71      |

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024 (Amt in Rs. Lakh)**

**Note 2.08 Other Expenses**

| Particulars                           | For 2023-24 | For 2022-23 |
|---------------------------------------|-------------|-------------|
| Consumption of Stores and Spare Parts | 224.44      | 138.31      |
| Power & Fuel                          | 754.65      | 686.97      |
| Job Charges                           | 56.67       | 46.92       |
| Repairs & Maintenance - Building      | 7.41        | 0.06        |
| Repairs & Maintenance - Machinery     | 111.51      | 137.78      |
| Repairs & Maintenance - Others        | 30.73       | 37.25       |
| Payments to Auditors                  | 5.13        | 4.00        |
| Insurance                             | 10.06       | 13.77       |
| Printing and stationery               | 2.55        | 4.96        |
| Travelling and conveyance             | 39.93       | 37.99       |
| Rent                                  | 38.74       | 33.26       |
| Rates and taxes                       | 4.75        | 3.71        |
| Packing and Forwarding                | 39.13       | 36.14       |
| Miscellaneous expenses                | 159.82      | 153.90      |
| Loss on Sale of Assets                | 2.27        | -           |
| Total                                 | 1487.79     | 1335.01     |

**Note 2.09 . Exceptional items [ Income (-) / Expenses ]**

| Particulars   | For 2023-24 | For 2022-23 |
|---|-------------|-------------|
| a) Doubtful debts written off                                   | 0.00        | 0.49        |
| b) Loss / Profit (-) on sales of assets                         | 0.00        | -1.47       |
| c) Liability no longer required written off/ Assets Written off | 150.00      | 32.98       |
| d) Obsolete Stock Written off / Prior period items              | 0.00        | 61.15       |
| Total   | 150.00      | 93.15       |

**Note 2.10 . Extraordinary items**

| Particulars                 | For 2023-24 | For 2022-23 |
|-----------------------------|-------------|-------------|
| Liability No longer require | 6555.35     | 0.00        |
| Total                       | 6555.35     | 0.00        |

## EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)**

**Note 2.11 Earnings per equity share (Face value Rs.10 each)**

| Particulars   | For 2023-24 | For 2022-23 |
|---|-------------|-------------|
| (01) Profit   |             |             |
| Profit / Loss (-) after tax   | 7112.20     | -230.66     |
| Less: Dividend on Preference shares   | 0.00        | 0.00        |
| Profit attributable to ordinary shareholders- for B & D <sup>@</sup> EPS      | 7112.20     | -230.66     |
| (02) Weighted average number Shares   |             |             |
| (a) WAN* of Ordinary Shares for basic EPS                                     | 20324304    | 20324304    |
| (b) Add: Adjustment of shares, if any.  | 0           | 0           |
| (c) Total WAN* of Ordinary Shares for basic EPS                               | 20324304    | 20324304    |
| (d) Add: Adjustment for shares, if any.                                       | 0           | 0           |
| (e) WAN* of Ordinary Shares and POS** for diluted EPS                         | 20324304    | 20324304    |
| (03) Nominal (or Face) Value of Ordinary Share (₹)                            | 10.00       | 10.00       |
| <br>  |             |             |
| (04) Basic earnings per Ordinary Share (₹)                                    | 34.99       | -1.13       |
| (05) Diluted earnings per Ordinary Share (₹)                                  | 34.99       | -1.13       |
| (06) No discounting business & hence no such profit/ loss (-)                 |             |             |
| @ B & D stands for "Basic and Diluted"  |             |             |
| * WAN stands for "Weighted Average Number"                                    |             |             |
| ** POS stands for Potential Ordinary Shares                                   |             |             |
| <b>2.11 Contingent Liabilities &amp; Commitments</b>                          |             |             |
| (01) Claims against the company not acknowledged as debt;                     | 146.89      | 146.89      |
| (02) Guarantees given;  | 0.00        | 0.00        |
| (03) Other money for which the company is contingently liable                 | 0.00        | 0.00        |
| (04) Whether Commitments are classified as:                                   |             |             |
| (05) Others   |             |             |
| (a) Pending contracts*  | 0.00        | 0.00        |
| (b) Uncalled liability on shares & other investments partly paid              | 0.00        | 0.00        |
| (c) Other commitments (specify nature).                                       | 0.00        | 0.00        |
| *Estimated amount remaining to be executed on capital a/c & not provided for; |             |             |
| <b>2.12. Raw Materials Consumed</b>   |             |             |
| (01) In Value   |             |             |
| (a) Total Consumption   | 3771.52     | 3216.78     |
| (b) Indigenous Raw Materials consumption                                      | 3771.52     | 3216.78     |
| (c) Imported Raw materials consumption  | 0.00        | 0.00        |
| (02) in Percentage  |             |             |
| (a) Total Consumption   | 100.00      | 100.00      |
| (b) Indigenous Raw Materials consumption                                      | 100.00      | 100.00      |
| (c) Imported Raw materials consumption  | 0.00        | 0.00        |
| <b>2.13. Spare Parts and Components Consumption</b>                           |             |             |
| (01) In Value   |             |             |
| (a) Total Consumption   | 224.44      | 138.31      |
| (b) Indigenous Stores Consumption   | 224.44      | 138.31      |
| (c) Imported Stores Consumption   | 0.00        | 0.00        |
| (02) in Percentage  |             |             |
| (a) Total Consumption   | 100.00      | 100.00      |
| (b) Indigenous Stores Consumption   | 100.00      | 100.00      |
| (c) Imported Stores Consumption   | 0.00        | 0.00        |

# EL FORGE LIMITED

**Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)**

| Particulars   | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| <b>2.14 Earnings in foreign exchange, namely:</b>           |                  |                  |
| (01) Export of goods calculated on F.O.B. basis;            | 30.36            | 69.51            |
| (02) Royalty, know-how ,professional and consultation fees; | 0.00             | 0.00             |
| (03) Interest and dividend;                                 | 0.00             | 0.00             |
| <b>2.15 Foreign Exchange, Outflow:</b>                      |                  |                  |
| (01) Purchase of Capital Goods                              | 0.00             | 0.00             |
| (02) Purchase of Stores & Spares                            | 0.00             | 0.00             |
| (03) Interest and dividend;                                 | 0.00             | 0.00             |
| (04) Royalty, know-how ,professional and consultation fees; | 0.00             | 0.00             |

**Note 2.16, Details relating to various Footnotes referred in relevant notes on Financial Statements**

**Note 2.16.01 of Column-wise details, relating to Note 1.01 Property, Plant and Equipment**

| NAME OF THE ASSET               | Gross Carrying Amount                  |              |              |  | Accumulated Depreciation                  |               |              |                    | Net Carrying Amount                       |                            |                            |
|---------------------------------|--|--------------|--------------|--|---|---------------|--------------|--------------------|---|----------------------------|----------------------------|
|                                 | Gross Carrying Amount As At 01.04.2023 | Additions    | Deletions    | Gross Carrying Amount As at 31.03.2024 | Accumulated Depreciation As at 01.04.2023 | Additions     | Deductions   | Total Depreciation | Accumulated Depreciation As at 31.03.2024 | Net Block as at 31.03.2024 | Net Block as at 31.03.2023 |
|                                 | RS.                                    | RS.          | RS.          | RS.                                    | RS.                                       | RS.           | RS.          | RS.                | RS.                                       | RS.                        | RS.                        |
| TANGIBLE ASSETS:                |  |              |              |  |   |               |              |                    |   |                            |                            |
| Land                            | 107.00                                 | 0.00         | 0.50         | 106.51                                 | 0.00                                      | 0.00          | 0.00         | 0.00               | 0.00                                      | 107.00                     | 107.00                     |
| Building                        | 2,069.99                               | 0.00         | 0.00         | 2,069.99                               | 1,038.90                                  | 65.75         | 0.00         | 1,104.65           | 1,104.65                                  | 965.00                     | 1,031.00                   |
| Plant & Machinery               | 9,588.37                               | 9.90         | 0.00         | 9,598.28                               | 8,458.22                                  | 111.95        | 0.00         | 8,570.17           | 8,570.17                                  | 1,028.00                   | 1,130.00                   |
| Furniture & Fixtures            | 226.61                                 | 3.91         | 22.91        | 207.62                                 | 215.28                                    | 0.05          | 21.76        | 193.57             | 193.57                                    | 14.00                      | 11.00                      |
| Office Equipment                | 69.03                                  | 0.00         | 0.00         | 69.03                                  | 63.87                                     | 0.29          | 0.00         | 64.16              | 64.16                                     | 5.00                       | 5.00                       |
| Computers                       | 185.39                                 | 4.84         | 30.77        | 159.46                                 | 168.75                                    | 2.07          | 29.24        | 141.59             | 141.59                                    | 18.00                      | 17.00                      |
| Motor Vehicle                   | 49.30                                  | 0.00         | 0.00         | 49.30                                  | 3.25                                      | 3.16          | 0.00         | 6.41               | 6.41                                      | 43.00                      | 46.00                      |
| <b>TOTAL</b>                    | <b>12,295.70</b>                       | <b>18.66</b> | <b>54.18</b> | <b>12,260.18</b>                       | <b>9,948.28</b>                           | <b>183.26</b> | <b>51.00</b> | <b>10,080.54</b>   | <b>10,080.54</b>                          | <b>2,179.64</b>            | <b>2,347.42</b>            |
| Capital Work in Progress        | -                                      |              |              | -                                      | -   | -             | -            | -                  | -   | -                          | -                          |
| INTANGIBLE ASSETS               | -                                      | 22.08        |              | 22.08                                  | -   | 0.93          |              | 0.93               | 0.93                                      | 21.14                      | -                          |
| <b>GRAND TOTAL</b>              | <b>12,295.70</b>                       | <b>40.74</b> | <b>54.18</b> | <b>12,282.26</b>                       | <b>9,948.28</b>                           | <b>184.20</b> | <b>51.00</b> | <b>10,081.48</b>   | <b>10,081.48</b>                          | <b>2,200.78</b>            | <b>2,347.42</b>            |
| Previous Year Figures (Summary) | 12,197.60                              | 184.21       | 86.11        | 12,295.70                              | 9,541.37                                  | 488.71        | 81.80        | 9,948.28           | 9,948.28                                  | 2,347.42                   | 2,656.23                   |



## EL FORGE LIMITED

Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024 (Amt in Rs. Lakh)

### Note 2.16.02 of Entity-wise details, relating to Note 1.02 Financial Assets : Investments

| Particulars   | As at 31-03-2024<br>Numbers | As at 31-03-2024<br>Amount | As at 31-03-2023<br>Numbers | As at 31-03-2023<br>Amount |
|---|-----------------------------|----------------------------|-----------------------------|----------------------------|
| <b>(01) Investment in Equity Instruments in Equity Instruments (Quoted)</b> |                             |                            |                             |                            |
| Fully paid-up shares of Rs.10/- each in IndusInd Bank Ltd                   | 436                         | 0.01                       | 436                         | 0.01                       |
| Sub-Total   |                             | 0.01                       |                             | 0.01                       |
| Less: Impairment in Value of Investments, if any.                           |                             | -                          |                             | -                          |
| Total Investment in Equity Instruments (Net)                                |                             | 0.01                       |                             | 0.01                       |

(02) Market Value of the Quoted Investments

### Note 2.16.03 of Aging Schedule, relating to Note 1.06 Trade Receivables

| Particulars                                   | Amount not due | Outstanding for the periods Less than 6 months | Outstanding for the periods between 6 months and 1 year | Outstanding for the periods between 1 year and 2 years | Outstanding for the periods between 2 and 3 years | Outstanding for the periods More than 3 years | Total  |
|---|----------------|--|---|--|---|---|--------|
| <b>(01) Current Year : As at 31-03-2024</b>   |                |  |   |  |   |   |        |
| <b>(a) Undisputed Trade receivables</b>       |                |  |   |  |   |   |        |
| (i) Secured & Considered good                 | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Unsecured but Considered good            | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| (iii) Considered doubtful                     | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sub-Total                                     | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| (iv) Less: Allowance for Bad & Doubtful debts | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (v) Net Balance [ (v)=(i)+(ii)+(iii)-(iv) ]   | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| <b>(b) Disputed Trade receivables</b>         |                |  |   |  |   |   |        |
| (i) Secured & Considered good                 | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Unsecured but Considered good            | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (iii) Considered doubtful                     | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sub-Total                                     | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (iv) Less: Allowance for Bad & Doubtful debts | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (v) Net Balance [ (v)=(i)+(ii)+(iii)-(iv) ]   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |

## EL FORGE LIMITED

Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024 (Amt in Rs. Lakh)

### Note 2.16.04 of Aging Schedule, relating to (d) Summary only Net Balance

| Particulars  | Amount not due | Outstanding for the periods Less than 6 months | Outstanding for the periods between 6 months and 1 year | Outstanding for the periods between 1 year and 2 years | Outstanding for the periods between 2 and 3 years | Outstanding for the periods More than 3 years | Total  |
|--|----------------|--|---|--|---|---|--------|
| <b>(c) Summary of Trade receivables (net Balance)</b>  |                |  |   |  |   |   |        |
| (i) Undisputed Trade receivables   | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| (ii) Disputed Trade receivables  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sum of Net Balance as at 31-03-2024  | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| Additional Particulars: There has been no Trade Receivable, falling under category of "Having significant increase in Credit Risk", "Credit Impaired" & "Unbilled" |                |  |   |  |   |   |        |
| <b>(02) Previous Year : As at 31-03-2023</b>   |                |  |   |  |   |   |        |
| <b>(a) Undisputed Trade receivables</b>  |                |  |   |  |   |   |        |
| (i) Secured & Considered good  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Unsecured but Considered good   | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |
| (iii) Considered doubtful  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sub-Total  | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |
| (iv) Less: Allowance for B & D debts   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (v) Net Balance [ (v)= (i)+(ii)+(iii)-(iv) ]   | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |

### Note 2.16.05 of Aging Schedule, relating to Note 1.06 Trade Receivables, Continued

| Particulars  | Amount not due | Outstanding for the periods Less than 6 months | Outstanding for the periods between 6 months and 1 year | Outstanding for the periods between 1 year and 2 years | Outstanding for the periods between 2 and 3 years | Outstanding for the periods More than 3 years | Total  |
|--|----------------|--|---|--|---|---|--------|
| <b>(b) Disputed Trade receivables</b>  |                |  |   |  |   |   |        |
| (i) Secured & Considered good  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Unsecured but Considered good   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (iii) Considered doubtful  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sub-Total  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (iv) Less: Allowance for B & D debts   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| (v) Net Balance [ (v)= (i)+(ii)+(iii)-(iv) ]   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| <b>(c) Summary of Trade receivables (net Balance)</b>  |                |  |   |  |   |   |        |
| (i) Undisputed Trade receivables   | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |
| (ii) Disputed Trade receivables  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00   |
| Sum of Net Balance as at 31-03-2023  | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |
| Additional Particulars: There has been no Trade Receivable, falling under category of "Having significant increase in Credit Risk", "Credit Impaired" & "Unbilled" |                |  |   |  |   |   |        |
| <b>(03) Corresponding Current Year &amp; Previous Year Amt</b>   |                |  |   |  |   |   |        |
| Net Balance (Undisputed & Disputed Trade receivables)  |                |  |   |  |   |   |        |
| (i) Current Year as at 31-03-2023  | 0.00           | 543.61   | 0.61  | 0.00   | 0.00  | 0.00  | 544.23 |
| (ii) Previous Year as at 31-03-2022  | 0.00           | 374.5  | 3.81  | 0.00   | 0.00  | 0.00  | 378.32 |

## EL FORGE LIMITED

### Note 2.16.05 of Aging Schedule, relating to Note 1.06 Trade Receivables, Continued

(04) Out of the Trade Receivable, amount due from specified person

| Particulars                                 | Amount not due | Outstanding for the periods Less than 6 months | Outstanding for the periods between 6 months and 1 year | Outstanding for the periods between 1 year and 2 years | Outstanding for the periods between 2 and 3 years | Outstanding for the periods More than 3 years | Total       |
|---|----------------|--|---|--|---|---|-------------|
| <i>(i) Current Year as at 31-03-2024</i>    |                |  |   |  |   |   |             |
| (a) Severally Due from Directors/ Officers  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (b) Jointly Due with Directors/ Officers    | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (c) Firm in which Director is a Partner     | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (d) Pvt Co. in which Director is a member   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (e) Pvt Co. in which Director is a Director | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| <b>Total</b>                                | <b>0.00</b>    | <b>0.00</b>                                    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>                                       | <b>0.00</b>                                   | <b>0.00</b> |
| <i>(ii) Previous Year as at 31-03-2023</i>  |                |  |   |  |   |   |             |
| (a) Severally Due from Directors/ Officers  | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (b) Jointly Due with Directors/ Officers    | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (c) Firm in which Director is a Partner     | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (d) Pvt Co. in which Director is a member   | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| (e) Pvt Co. in which Director is a Director | 0.00           | 0.00   | 0.00  | 0.00   | 0.00  | 0.00  | 0.00        |
| <b>Total</b>                                | <b>0.00</b>    | <b>0.00</b>                                    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>                                       | <b>0.00</b>                                   | <b>0.00</b> |

## EL FORGE LIMITED

Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)

### Note 2.16.06 of Aging Schedule, relating to Note 1.16 Trade Payables

| Particulars  | Unbilled dues | Amount where no due date of payment is specified | Outstanding for the periods less than 1 year | Outstanding for the periods between 1 year and 2 years | Outstanding for the periods between 2 years and 3 years | Outstanding for the periods More than 3 years | Total  |
|--|---------------|--|--|--|---|---|--------|
| <b>(01) Current Year : As at 31-03-2024</b>                |               |  |  |  |   |   |        |
| (a) Summary (Details are given below)                      |               |  |  |  |   |   |        |
| (i) Due to Micro Enterprises & Small Enterprises (MESE)    | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Due to Other than MESE                                | 0.00          | 0.00   | 834.44                                       | 11.48  | 0.00  | 0.00  | 845.92 |
| Summary as at 31-03-2024                                   | 0.00          | 0.00   | 834.44                                       | 11.48  | 0.00  | 0.00  | 845.92 |
| (b) Details of the summary, referred above                 |               |  |  |  |   |   |        |
| (i) Undisputed amount due to MSME                          | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Undisputed amount due to Other than MESE              | 0.00          | 0.00   | 834.44                                       | 11.48  | 0.00  | 0.00  | 845.92 |
| (iii) Disputed amount due to MSME                          | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (iv) Disputed amount due to Other than MESE                | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| Total  | 0.00          | 0.00   | 834.44                                       | 11.48  | 0.00  | 0.00  | 845.92 |
| <b>(02) Previous Year : As at 31-03-2023</b>               |               |  |  |  |   |   |        |
| (i) Due to MESE  | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Due to Other than MESE                                | 0.00          | 0.00   | 749.15                                       | 0.00   | 0.00  | 0.00  | 749.15 |
| Summary as at 31-03-2023                                   | 0.00          | 0.00   | 749.15                                       | 0.00   | 0.00  | 0.00  | 749.15 |
| (b) Details of the summary, referred above                 |               |  |  |  |   |   |        |
| (i) Undisputed amount due to MSME                          | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (ii) Undisputed amount due to Other than MESE              | 0.00          | 0.00   | 749.15                                       | 0.00   | 0.00  | 0.00  | 749.15 |
| (iii) Disputed amount due to MSME                          | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (iv) Disputed amount due to Other than MESE                | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| Total  | 0.00          | 0.00   | 749.15                                       | 0.00   | 0.00  | 0.00  | 749.15 |
| <b>(03) Disclosure for Corresponding Previous Year Amt</b> |               |  |  |  |   |   |        |
| (a) Due to MESE  |               |  |  |  |   |   |        |
| (01) Current Year : As at 31-03-2024                       | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (02) Previous Year : As at 31-03-2023                      | 0.00          | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00   |
| (b) Due to Others than MESE                                |               |  |  |  |   |   |        |
| (01) Current Year : As at 31-03-2024                       | 0.00          | 0.00   | 834.44                                       | 11.48  | 0.00  | 0.00  | 845.92 |
| (02) Previous Year : As at 31-03-2023                      | 0.00          | 0.00   | 749.15                                       | 0.00   | 0.00  | 0.00  | 749.15 |

## EL FORGE LIMITED

Notes annexed to and forming an integral part of the Financial Statements as at 31-03-2024  
(Amt in Rs. Lakh)

### Note 2.16.06 of Aging Schedule, relating to Note 1.16 Trade Payables Continued

(04) Interest, Principal, etc., to Micro, Small & Medium Enterprises, as per MSMED Act, 2006

| Particulars                          | (i)<br>Amount due<br>principal<br>amount and the<br>interest | (ii) Amount<br>remains<br>unpaid<br>principal<br>amount and<br>the interest | (iii)<br>Amount<br>of the<br>interest<br>paid<br>beyond<br>the<br>appointed<br>day | (iv)<br>Amount<br>of the<br>interest<br>paid<br>within the<br>appointed<br>day | (v)<br>Amount<br>of<br>principal<br>paid but<br>the<br>interest<br>unpaid | (vi)<br>Amount<br>of the<br>interest<br>accrued<br>but<br>unpaid | (vii) The<br>amount of<br>further<br>interest<br>due and<br>payable<br>(Footnote<br>02) |
|--------------------------------------|--|---|--|--|---|--|---|
| (a) As at 31-03-2024/ For<br>2023-24 | 0.00   | 0.00  | 0.00   | 0.00   | 0.00  | 0.00   | 0.00  |
| (b) As at 31-03-2023 For<br>2022-23  | 0.00   | 0.00  | 0.00   | 0.00   | 0.00  | 0.00   | 0.00  |

Footnote:

- MSMED Act stands for Micro, Small and Medium Enterprises Development Act, 2006
- For the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise

Note 2.16.07, relating to Note 1.11 Equity Share Capital, (07) Details of Equity Shares held by the promoters and changes thereof

Current Year: As at 31-03-2024 and Previous Year: As at 31-03-2023

| Promoter Name              | No. of<br>shares at<br>01-04-23 | No. of shares<br>at the end of<br>31-03-2024 | % of Total<br>Shares,<br>31-03-<br>2024 | %<br>change<br>during<br>the<br>year,<br>FY<br>2023-<br>24 | No. of<br>shares<br>at 01-<br>04-2022 | No. of<br>shares at<br>the end<br>of 31 03<br>2023 | % of<br>Total<br>Shares,<br>31 03<br>2023 | %<br>change<br>during<br>the year,<br>FY 2022-<br>23 |
|----------------------------|---------------------------------|--|---|--|---------------------------------------|--|---|--|
| V Srikanth                 | 522202                          | 588652                                       | 2.9                                     | 0.33   | 522202                                | 522202   | 2.57                                      | 0.00   |
| V Ramachandran             | 331720                          | 331720                                       | 1.63                                    | 0.00   | 331720                                | 331720   | 1.63                                      | 0.00   |
| K.V.Ramachandran           | 133166                          | 133325                                       | 0.66                                    | 0.00   | 133166                                | 133166   | 0.66                                      | 0.00   |
| V.Subha                    | 113578                          | 113578                                       | 0.56                                    | 0.00   | 113578                                | 113578   | 0.56                                      | 0.00   |
| Chitra Venkataraman        | 66450                           | 0  | 0.                                      | 0.00   | 66450                                 | 66450  | 0.33                                      | 0.00   |
| K.V.Srikanth               | 12500                           | 12660  | 0.06                                    | 0.00   | 12500                                 | 12500  | 0.06                                      | 0.00   |
| P.L.Reddy                  | 8100                            | 8100   | 0.04                                    | 0.00   | 8100                                  | 8100   | 0.04                                      | 0.00   |
| V Balu                     | 6708                            | 6708   | 0.03                                    | 0.00   | 6708                                  | 6708   | 0.03                                      | 0.00   |
| Nandini<br>Ramachandran    | 4000                            | 4000   | 0.02                                    | 0.00   | 4000                                  | 4000   | 0.02                                      | 0.00   |
| Nandini Srikanth           | 343277                          | 343277                                       | 1.69                                    | 0.00   | 343277                                | 343277   | 1.69                                      | 0.00   |
| Ananya Srikanth            | 3195                            | 3195   | 0.02                                    | 0.00   | 3195                                  | 3195   | 0.02                                      | 0.00   |
| Rohini Ramaswamy           | 1300                            | 1300   | 0.01                                    | 0.00   | 1300                                  | 1300   | 0.01                                      | 0.00   |
| R.Visweswaran              | 487                             | 0  | 0.00                                    | 0.00   | 487                                   | 487  | 0.00                                      | 0.00   |
| V JayaLakshmi              | 1169                            | 1656   | 0.01                                    | 0.00   | 1169                                  | 1169   | 0.01                                      | 0.00   |
| K R Srihari                | 340300                          | 340300                                       | 0.01                                    | 0.00   | 340300                                | 340300   | 0.01                                      | 0.00   |
| K.R.Manasvini              | 200                             | 200  | 0.00                                    | 0.00   | 200                                   | 200  | 0.00                                      | 0.00   |
| Chendur Forgings Ltd       | 6385006                         | 6406956                                      | 31.42                                   | 0.00   | 6385006                               | 6385006  | 31.42                                     | 0.00   |
| Total As at 31-03-<br>2024 | 8273358                         | 8295627                                      | 40.82                                   | 0.00   | 8273358                               | 8273358  | 40.71                                     | 0.00   |
| Total (Previous Year)      | <b>40.71</b>                    | <b>8273677</b>                               | <b>40.71</b>                            | 0.00   | <b>8273358</b>                        | <b>8273677</b>                                     | <b>40.71</b>                              | 0.00   |

# EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof, forming an integral part thereof.**

Notes No. 3.00, relating to Basic information of the Company & Financial Statements (FS)

## **3.01. Company Over review**

- (01) EL Forge Ltd (the earlier name was Ellore Electric Supply Company Limited) was incorporated during the year 1934, and started its forging operations during the year 1963. The Company is engaged in the business of manufacturing Rough Steel Forgings i.e., fuel injection forgings, steering rods, tie rods, engine and gear boxes, starter items etc. for automobile industry. The company exports its products to the US, China, etc. It has a manufacturing unit at Appur Village, near Chennai.
- (02) Established OME's are the major clients of the Company.
- (03) The present installed capacity of forgings is 12000 TPA
- (04) On Quality front, the Appur plant is an ISO / TS 16949 -2009 accredited, unit.

## **3.02. Material Accounting Policy Information**

Pursuant to the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective 01-04-2023, the company is required to disclose 'material accounting policy Information' in lieu of the earlier requirement of disclosing 'significant accounting policies'.

All accounting policies followed by the company are in accordance with the Indian Accounting Standards (Ind AS) notified u/s 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and conform to Schedule III to the Companies Act, 2013 as applicable.

Specific disclosure of material accounting policy information where Ind AS permits options is made hereunder:

The company has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

## **3.03. Basis of Accounting and Preparation of Financial Statements**

### **3.03.01. Basis of preparation and compliance with Ind AS**

- (01) The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for Assets and Liabilities that have been measured on fair value basis. GAAP comprises of Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read together with Rule 4 of Companies (Indian Accounting Standards) Rules 2015, as amendment, to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards require a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

# EL FORGE LIMITED

## Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof

Notes No. 3.00, relating to Basic information of the Company & Financial Statements (FS) information

- (02) Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013, to the extent applicable on it, while preparing these financial statements.
- (03) The financial statements are presented in Indian Rupees lakhs, unless otherwise stated.
- (04) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out Note No. 03.03.06. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 3.03.02. Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes, there on, for the year ended 31-03-2024 have been prepared in accordance with Ind AS, as notified above duly approved by the Board of Directors at its meeting held on May 24, 2024.

### 3.03.03. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, measuring certain financial assets and liabilities, at Fair Value as required by relevant Ind ASs. The Fair value measurement is described below:

- (01) The Company does not have any financial instruments, such as, derivatives and accordingly, measures financial instrument, at fair value at each balance sheet date does not arise. Accordingly, the principle of Fair value, in respect of the above, has not been stipulated here.
- (02) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
  - (a) Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.
  - (b) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

# EL FORGE LIMITED

## Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof

Notes No. 3.00, relating to Basic information of the Company & Financial Statements (FS) information

- (03) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- (a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
  - (b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  - (c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

- (04) For other fair value, in respect of the Financial Instruments, related disclosures refer Sl. No. 05.13. of Notes on Financial Statements.

### **3.03.04. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company’s presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakh except where otherwise indicated.

### **3.03.05. Recent Standards not yet effective and not adopted by the Company**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### **3.03.06. Current /Non-Current Classification and Operating Cycle**

- (01) **An asset is classified as current if:**
- (a) It is expected to be realized or sold and consumed in the Company’s normal operating cycle.
  - (b) It is held primarily for the purpose of trading;
  - (c) It is expected to be realized within twelve months after the reporting period or
  - (d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
  - (e) All other assets are classified as non-current.



## **EL FORGE LIMITED**

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### **Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof**

Notes No. 3.00, relating to Basic information of the Company & Financial Statements (FS)

**(02) A liability is classified as current if**

- (a) It is expected to be settled in normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be settled with twelve months after reporting period;
- (d) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (e) All other assets are classified as non-current.

**(03) Operating Cycle**

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company's normal operating cycle is 45 days to 60 days.

# EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

The Company has considered and applied following accounting policies, as the material accounting policies, to all periods presented in the Ind AS Financial Statements.

## 04.01. Revenue Recognition

04.01.01. The Company earns revenue from export/ domestic of manufactured steel forgings, sale of product and services and right to receive export incentives from Government.

04.01.02. The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of third parties.

04.01.03. The revenue recognition in respect of the various streams of revenue is described as follows

### (01) Export and Domestic sale of steel forgings (Sale of product)

(a) Revenue is earned from manufacture and export/ domestic sale of steel forgings. Revenue is recognized upon completion of obligation of the Company, under the contract.

(b) Revenue is recognized at the transaction price agreed with the customer through a sale order received from the customers or per the contract.

### (02) Sales of Services

Revenue is earned from sale of services, which involves materials for job-work. Revenue is recognized upon completion of services or upon transfer of risk and reward of products (in respect of job-work materials sent after completion of the service) to the customer.

Revenue from rendering of services is recognized upon completion of services and all the obligation under the contract has been performed and the Company has an enforceable right to payment for services rendered

### (03) Export Benefits or Incentives

Export incentives, in the nature of duty draw back or “Duty Entitlement Pass Book” under “Duty Exemption Scheme”, framed by the government, are recognized in the Statement of Profit & Loss when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### (04) Dividend

Dividend income is recognized when the right to receive payment is established.

### (05) Interest

Interest income is recognized using effective rate of interest method.

# EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

## **04.02. Property, Plant and Equipment**

### **04.02.01. Initial Cost**

- (01) Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.
- (02) When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
- (03) Amounts paid as advances towards the acquisition of Property, Plant and Equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on Balance Sheet date are disclosed under “Capital work-in-progress”.

### **04.02.02. Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss.

### **04.02.03. De-Recognition**

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within “other income / other expenses” in the Statement of Profit and Loss.

### **04.02.04. Depreciation**

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

## EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

### 04.03. Loans and Borrowings

- 04.03.01. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.
- 04.03.02. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### 04.04. Borrowing Costs

- 04.04.01. Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognized using effective interest method.
- 04.04.02. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

### 04.05. Inventories

- 04.05.01. Inventories are valued at the lower of cost and net realizable value except scrap and by products which are valued at net realizable value. Costs, incurred in bringing the inventory to its present location and conditions, are accounted and considered for valuation. The method of valuation is detailed in the following paragraph.
- 04.05.02. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- 04.05.03. Finished goods and work in progress: Cost includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

## EL FORGE LIMITED

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### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

- (01) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- (02) Obsolete inventories are identified and written down to net realizable value. Slow moving and defective inventories are identified and provided to net realizable value.

#### 04.06. Income Taxes

- 04.06.01. Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.
- 04.06.02. Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:
- (01) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
  - (02) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future; and
  - (03) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.
- 04.06.03. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
- 04.06.04. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

# EL FORGE LIMITED

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## Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

04.06.05. Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the company's share of the income and expenses of the equity method accounted investee is recorded in the statement of income, after considering any taxes on dividend payable by the equity method accounted investee and no deferred tax is set up in the books as the tax liability is not with the company.

### **04.07. Impairment of non-financial assets**

04.07.01. The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

04.07.02. An intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

04.07.03. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

04.07.04. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

### **04.08. Reversal of impairment loss**

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### **04.09. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

# EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

## **04.10. Provisions**

04.10.01. Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

04.10.02. A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

## **04.11. Employee benefit schemes**

### **04.11.01. Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

### **04.11.02. Compensated absences:**

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

## **04.12. Earnings per share**

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## **04.13. Foreign currency transactions**

04.13.01. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

# EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

04.13.02. Measurement of foreign currency items at the balance sheet date

04.13.03. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the exchange rate prevailing at the reporting date.

(01) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(02) Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

## **04.14. Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **04.15. Post-employment benefits**

### **(01) Defined contribution plan**

Retirement benefits, in form of superannuation, are a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

### **(02) Defined benefit plans – Gratuity and Provident fund**

#### **(a) Gratuity**

The Company has a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee’s last drawn salary and the number of years of employment with the Company.



## EL FORGE LIMITED

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### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

**(b) Provident Fund**

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Govt. Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the Government.

**(c) Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### **04.16. Use of Estimates and Judgments**

04.16.01. The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

## EL FORGE LIMITED

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**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 4.00, relating to Material Accounting Policies, forming an integral part thereof

04.16.02. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in Note No. 04.03 (Loan and Borrowings), 04.04. (Borrowing Cost), 04.07 (Impairment of Non-Financial Assets), 04.11 (Employees Benefit Scheme), 4.10 (Provisions), 04.13 (Foreign Currency Transactions) and 04.15 (Lease) on the Financial Statements, shown in the preceding paragraphs.

### **04.17. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

## EL FORGE LIMITED

Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

### 05.01. Denomination

All the figures are rounded off to nearest Lakh (Indian Rupees)

### 05.02. Re-Grouping of Amounts

Previous year's figures have been regrouped, wherever necessary, to confirm to current year classification/ grouping.

### 05.03. Contingent Liabilities & Commitments

05.03.01. Claims against the company not acknowledged as debt (Amount in Rs. Lakh)

| Sl. No. | Particulars                              | As at 31-03-2024 | As at 31-03-2023 |
|---------|--|------------------|------------------|
| 01      | E.S.I under Appeal                       | 0.77             | 0.77             |
| 02      | Demand from Income Tax                   | 132.74           | 132.74           |
| 03      | Demand from Central Excise & service tax | 13.38            | 13.38            |

05.03.02. The Company makes the assessment of likely outcome, based on the views of internal legal counsel and in consultation with external legal counsel representing the Company. The management is of the view that the outcome the aforesaid case shall be in favour of the company. Based on the above, the management of the view that no provision is required in the books of accounts, at this stage.

### 05.04. Realization of the amount due to the Company

In the opinion of the management the current assets and Loans and Advances will be recovered in full, in the normal course of business.

### 05.05. Disclosure of amount due to MSME

05.05.01. Our company has no dealings with MSME organizations (as per Micro, Small and Medium Enterprises Development Act, 2006); and hence we have not filed MSME returns with MCA.

05.05.02. As a matter of caution, we have written to all suppliers to confirm if they would come under the classification of MSME. None of them have confirmed the same and hence we can conclude that the trade payable is not to MSME's.

05.05.03. Accordingly, disclosure of details of amount due to in respect of Micro, Small and Medium Enterprises, vide Notification dated 11th October, 2018, issued by Ministry of Corporate Affairs, are not applicable to the Company for the year under report.

### 05.06. Group Gratuity Fund

The Retirement Benefit Funds towards gratuity are administered by LIC under Group Gratuity Scheme.

## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereof

### 05.07. Related Party Disclosure, as per Ind AS-24

The related parties' details are disclosed as follows:

#### 05.07.01. List of Related Parties

|  | For the Year<br>2023-24 | For the Year<br>2022-23 |
|--|-------------------------|-------------------------|
| (01) Related Parties   |                         |                         |
| (a) Promoters  |                         |                         |
| (i) Mr. V.Srikanth   | Yes                     | Yes                     |
| (ii) Mr. K.V.Ramachandran  | Yes                     | Yes                     |
| (b) Subsidiaries, Associates and Joint Venture:                                    | Nil                     | Nil                     |
| (c) Key Managerial Personnel   |                         |                         |
| (i) Mr.K.R.Srihari (Son of Mr.K.V.Ramachandran, Vice Chairman & Managing Director) | Yes                     | Yes                     |
| (ii) Mrs. R Sowmithri  | Yes                     | Yes                     |

#### 05.07.02. Transaction Amount (In Rs. Lakh)

| Particulars  | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| (01) On account of Salaries and other benefits   |            |            |
| Mr.K.V.Ramachandran- Vice Chairman & Managing Director   | 83.37      | 76.95      |
| Mr.K.R.Srihari - Chief Operating Office  | 46.61      | 46.61      |
| Mrs.R.Sowmithri , Executive director (finance) & Company Secretary (Upto 30-03-2022; WEF 01-04-2022 CFO and Company Secretary) | 42.83      | 42.83      |
| (02) Transaction with Related Parties  |            |            |
| (a) Interest paid to Chendur Forgings Ltd (Promoter)   | 46.89      | 46.89      |

#### 05.07.03. Amount Outstanding (Amount in Rs. Lakh and "Cr" stands for Credit Balane)

| Name of the Person   | As at 31-03-<br>2024 | As at 31-03-<br>2023 |
|--|----------------------|----------------------|
| (a) Mr.K.V.Ramachandran- Vice Chairman & Managing Director | 9.71Cr               | 4.37 Cr              |
| (b) Mr.K.R.Srihari - Chief Operating Office                | 2.12Cr               | 3.00 Cr              |
| (c) Mrs.R.Sowmithri, FO and Company Secretary)             | 2.60Cr               | 2.60 Cr              |
| (d) Chendur Forgings Ltd (Secured Loan and Int., Cr.)      | 468.98 Cr            | 468.98 Cr            |

## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereof

### **05.08. Money due to statutory Authorities (Penalty and Interest)**

Non-payment or delayed payment of statutory due (Relating to earlier years) has attracted interest and penalty. The amount of interest / late fees, has been arrived by the Management of the Company, based on the information available with them. The amount outstanding as at 31-03-2024 was Rs. Nil (Previous year Rs. 51.89 Lakh), has been provided in the books of account. The amount charged may be different from the amount, which may be demanded subsequently by the authorities concerned.

### **05.09. Investor Education & Protection Fund**

05.09.01. Whenever the company declares dividend [or acceptance, including renewal, of Public Deposits or other nature covered thereof), it transfers the amount equivalent to an earmarked account, meant for the same, by opening an account with a bank. An unpaid amount, if any, lying in the aforesaid amount shall be transferred to Investor Education & Protection Fund, by taking Demand Draft, from the Bank.

05.09.02. In compliance of the above, the matured but unclaimed Public Deposits, relating to earlier Financial Year, amounting to Rs.3.81 Lakh, has been transferred to Investor Education & Protection Fund, during the year under report. No amount of public deposit is with the company as on the date.

### **05.10. Segment Reporting**

The Company has two business segment (1) Manufacture and sale of steel forgings; (2) Land and Development described as "Other Operating Income" (Amount in Rs. Lakh)

| Sl. No. | Particulars                          | For the Year<br>2023-24 | For the Year<br>2022-23 |
|---------|--------------------------------------|-------------------------|-------------------------|
| 01      | Segment Revenue                      |                         |                         |
|         | Forgings                             | 6832.24                 | 5846.31                 |
|         | Land & Developments                  | 0.00                    | 0.00                    |
|         | Total Revenue                        | 6832.24                 | 5846.31                 |
| 02      | Segment Results [ Profit/ Loss (-) ] |                         |                         |
|         | Forgings                             | 313.66                  | -102.73                 |
|         | Land & Developments                  | 0.00                    | 0.00                    |
|         | Net Profit/ Loss (-) before Interest | 313.66                  | -102.73                 |
| 03      | Interest cost (Less)                 | 47.84                   | 39.77                   |
| 03      | Other Income (Add)                   | 40.53                   | 4.99                    |
| 04      | Unallocable Items (Add)              | 6805.85                 | -93.15                  |
| 04      | Net Profit/ Loss (-)                 | 7112.20                 | -230.66                 |

The Company is engaged in the business of manufacturing of Auto Ancillary part (Manufacture and sale of steel forgings). It is one of the reportable segments, as per IND AS 108, Operating Segments. As the exports are mainly to Developed Countries, geographical risk is not different from domestic market and hence no separate secondary segment disclosure is required, in respect of the aforesaid reportable segments.

## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereof

### 05.11. Redemption of Preference shares

- (01) The company had issued 12,11,123 Number of 6% Preference Shares (Optionally convertible cumulative Redeemable preference shares-OCCRPS) of Rs 100/= each aggregating to Rs 12,11,12,300/= as a part of the Corporate Debt Restructure scheme approved by the lender banks in 2011. As per the Terms & Conditions of the issue the redemption was to be made in 3 equal instalments ending 31/3/2016, 31/3/2017 and 31/3/2018. During 2016 the company had started negotiations for one time settlement with the Bankers for settlement of all amounts including the OCCRPS. This process continued beyond 2018 and finally the company obtained no due letters from all lenders and hence the redemption was stretched beyond 2018. Later the company explored the possibility of redemption as no amount was payable on redemption. Based on legal opinion the company created the Capital Redemption Reserve by transfer of the preference share amount to Reserve as there was no repayment obligation on the preference shares. The same shall be treated at par with capital, as per the provisions of the Companies Act, 2013.
- (02) The notes to the earlier years Financial Statements contain the details regarding the Preference Shares.
- (03) The statutory auditor has relied upon the legal opinion, in this regard.

### 05.12. Payments to directors (other than managing director and executive director)

| Particulars  | Year ended<br>31-03-2024 | Year ended<br>31-03-2023 |
|--------------|--------------------------|--------------------------|
| Sitting fees | 1.20                     | 0.80                     |

### 05.13. Financial instruments

#### 05.13.01. Financial instruments by category

- (01) The carrying value and fair value of financial instruments by each category as at 31-03-2024 were as follows: (Amount Rs. In lakhs)

| Particulars                 | Financial Assets/<br>Liabilities<br>at<br>amortised<br>Cost | Financial Assets/<br>Liabilities<br>at FVTPL | Financial Assets/<br>Liabilities<br>at FVT<br>OCI | Total<br>Carrying<br>value | Total fair<br>value |
|-----------------------------|---|--|---|----------------------------|---------------------|
| <b>Assets</b>               |   |  |   |                            |                     |
| Investments                 | 0.01  | 0.00   | 0.00  | 0.01                       | 0.01                |
| Trade Receivables           | 544.23  | 0.00   | 0.00  | 544.23                     | 544.23              |
| Cash and cash equivalents   | 351.28  | 0.00   | 0.00  | 351.28                     | 351.28              |
| Other Financial Assets      | 3.74  | 0.00   | 0.00  | 3.74                       | 3.74                |
|                             |   |  |   |                            |                     |
| <b>Liabilities</b>          |   |  |   |                            |                     |
| Borrowings from banks       | 0.00  | 0.00   | 0.00  | 0.00                       | 0.00                |
| Borrowings from Others      | 468.98  | 0.00   | 0.00  | 468.98                     | 468.98              |
| Trade Payable               | 845.92  | 0.00   | 0.00  | 845.92                     | 845.92              |
| Other financial Liabilities | 155.29  | 0.00   | 0.00  | 155.29                     | 155.29              |

## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereof

**(02)** The carrying value and fair value of financial instruments by each category as at March 31, 2023 were as follows: (Amount Rs. In lakhs)

| Particulars                 | Financial Assets/<br>Liabilities<br>at<br>amortised<br>Cost | Financial<br>Assets/<br>Liabilities<br>at FVTPL | Financial<br>Assets/<br>Liabilities<br>at FVT<br>OCI | Total<br>Carrying<br>value | Total<br>fair<br>value |
|-----------------------------|---|---|--|----------------------------|------------------------|
| <b>Assets</b>               |   |   |  |                            |                        |
| Investments                 | 0.01  | 0.00  | 0.00   | 0.01                       | 0.01                   |
| Trade Receivables           | 378.32  | 0.00  | 0.00   | 378.32                     | 378.32                 |
| Cash and cash equivalents   | 228.80  | 0.00  | 0.00   | 228.80                     | 228.80                 |
| Other Financial Assets      | 3.74  | 0.00  | 0.00   | 3.74                       | 3.74                   |
|                             |   |   |  |                            |                        |
| <b>Liabilities</b>          |   |   |  |                            |                        |
| Borrowings from banks       | 0.00  | 0.00  | 0.00   | 0.00                       | 0.00                   |
| Borrowings from Others      | 8736.13   | 0.00  | 0.00   | 8736.13                    | 8736.13                |
| Trade Payable               | 749.15  | 0.00  | 0.00   | 749.15                     | 749.15                 |
| Other Financial Liabilities | 158.54  | 0.00  | 0.00   | 158.54                     | 158.54                 |

**(03)** Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

| Particulars   | Year ended<br>31-03-2024 | Year ended<br>31-03-2023 |
|---|--------------------------|--------------------------|
| (a) Financial assets at amortized cost                            |                          |                          |
| Interest income on other financial assets                         | 13.30                    | 8.04*                    |
|   |                          |                          |
| (d) Financial liabilities at amortized cost                       |                          |                          |
| Interest expenses on borrowings from banks, others and overdrafts | -46.89                   | -46.89*                  |

\* in the year 2022-23, the amount of Rs.8.04 Lakh was set off with Rs.46.89 Lakh and net was shown as Interest Exp.Rs.38.85 Lakh

### **05.13.02. Financial risk management**

The Company has exposure to the following risks from its use of financial instruments, namely Credit risk and Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the risk management framework. The Audit Committee is assisted the Finance Department Finance Department undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

## EL FORGE LIMITED

### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

(01) Credit risk:

(a) Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases."

(b) Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at 31-03-2024 and 31-03-2023 was as follows:( Amount Rs. In lakhs)

| Particulars               | Year ended<br>31-03-2024 | Year ended,<br>31-03-2023 |
|---------------------------|--------------------------|---------------------------|
| Other investments         | 0.01                     | 0.01                      |
| Trade receivables         | 544.23                   | 378.32                    |
| Cash and cash equivalents | 351.28                   | 228.80                    |
| Other financial assets    | 3.74                     | 3.74                      |
| <b>Total</b>              | <b>899.25</b>            | <b>610.87</b>             |

(c) Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables has been considered from the date of invoice. The ageing of trade receivables, net of allowances that are past due, is given below: (Amount Rs. In lakhs)

| Period (in days)        | Year ended<br>31-03-2024 | Year ended,<br>31-03-2023 |
|-------------------------|--------------------------|---------------------------|
| Past due 181 - 360 days | Nil                      | 2.56                      |
| More than 360 days      | Nil                      | 3.81                      |

(d) Financial assets that are neither past due nor impaired

Cash and cash equivalents, other assets and other receivables are neither past due nor impaired. The total trade receivables that are not past due as at 31-03-2024 amounts to ₹ 544.23 Lakh (31-03-2023: ₹ 378.32 Lakh) and impairment has not been recorded on the same.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:



## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereofAs at 31-03-2024 (Amount Rs. In Lakh)

| Particulars                                 | Carrying amount | Contractual cash flows | 0-12 months    | 1-3 years   | 3-5 years     |
|---|-----------------|------------------------|----------------|-------------|---------------|
| –   |                 |                        |                |             |               |
| <b>Non-derivative financial liabilities</b> |                 |                        |                |             |               |
| Borrowings from Banks                       | 0.00            | 0.00                   | 0.00           | 0.00        | 0.00          |
| Borrowings from others                      | 468.98          | 468.98                 | 0.00           | 0.00        | 468.98        |
| Trade payables                              | 845.92          | 845.92                 | 845.92         | 0.00        | 0.00          |
| Other financial liabilities                 | 155.29          | 155.29                 | 155.29         | 0.00        | 0.00          |
|   |                 |                        |                |             |               |
| <b>Total</b>                                | <b>1470.19</b>  | <b>1470.19</b>         | <b>1001.21</b> | <b>0.00</b> | <b>468.98</b> |

As at 31-03-2023 (Amount Rs. In Lakh)

| Particulars                                 | Carrying amount | Contractual cash flows | 0-12 months   | 1-3 years   | 3-5 years      |
|---|-----------------|------------------------|---------------|-------------|----------------|
| –   |                 |                        |               |             |                |
| <b>Non-derivative financial liabilities</b> |                 |                        |               |             |                |
| Borrowings from Banks                       | 0.00            | 0.00                   | 0.00          | 0.00        | 0.00           |
| Borrowings from others                      | 8736.13         | 8736.13                | 0.00          | 0.00        | 8736.13        |
| Trade payables                              | 749.15          | 749.15                 | 749.15        | 0.00        | 0.00           |
| Other financial liabilities                 | 158.54          | 158.54                 | 158.54        | 0.00        | 0.00           |
|   |                 |                        |               |             |                |
| <b>Total</b>                                | <b>9643.82</b>  | <b>9643.82</b>         | <b>907.69</b> | <b>0.00</b> | <b>8736.13</b> |

(02) **Market risk:**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(03) **Currency risk:**

The Company's has a limited risk in exposure to foreign currency. The Company's exposure to foreign currency risk as at 31-03-2024 was as follows:

(Euro in lakhs)

| Cash and cash equivalents | Trade receivables | Trade payables | Foreign currency demand loan | Net Balance Sheet exposure |
|---------------------------|-------------------|----------------|------------------------------|----------------------------|
| EUR                       | 0.13              | 0.00           | 0.00                         | 0.13                       |

## EL FORGE LIMITED

### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

The Company's exposure to foreign currency risk as at 31-03-2023 was as follows:

(Euro in lakhs)

| Cash and cash equivalents | Trade receivables | Trade payables | Foreign currency loans | Net Balance Sheet exposure |
|---------------------------|-------------------|----------------|------------------------|----------------------------|
| EUR                       | 0.46              | 0.00           | 0.00                   | 0.46                       |

(04) Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

(05) Profile

At the reporting date the interest rate profile of the Company's interest – bearing financial instruments were as follows: (Amount Rs. In lakhs)

|                               | 31-03-2024 | 31-03-2023 |
|-------------------------------|------------|------------|
| Fixed rate instruments        |            |            |
| Financial assets              |            |            |
| - Fixed deposits with banks   | 275.68     | 185.38     |
| Financial liabilities         |            |            |
| - Borrowings from banks/ ARCS | 0.00       | 0.00       |
| - Borrowings from others      | 468.98     | 8736.13    |
| Variable rate instruments     | 0.00       | 0.00       |
| Financial liabilities         | 0.00       | 0.00       |
| - Borrowings from banks       | 0.00       | 0.00       |
| - Bank overdrafts             | 0.00       | 0.00       |

#### 05.13.03. Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on 31-03-2024 is ₹ 2247.97 Lakh (Previous Year: ₹ -6080.44 Lakh)

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short-term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows: (Amount Rs. In lakhs)

| Particulars                       | 31-03-2024 | 31-03-2023 |
|-----------------------------------|------------|------------|
| Debt                              | 468.98     | 1680.11    |
| Less: cash and bank balances      | 351.28     | -232.54    |
| Net debt (A)                      | 117.70     | 1447.56    |
|                                   |            |            |
| Equity (B)                        | 2247.97    | -6080.44   |
| Net debt to Equity ratio [ A/ B ] | 0.05       | -0.24      |

## EL FORGE LIMITED

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### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

#### **05.14. Contribution towards 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 audit report.

#### **05.15. Extraordinary item**

During the Financial Year, 2018-19 the company had entered into a Memorandum of Understanding (MOU) with a Domestic Company (Buyer), for Slump Sale of Apuur Unit of the Company, near Chennai. As per the terms of the MOU, the total consideration for the aforesaid the slump sale has been fixed, mutually, for an amount of Rs.9500.00 lakhs (Rupees Nine Thousand and Five Hundred Lakhs only) and such consideration should be fully paid or settled on or before 30th April,2018.

The Buyer has not honoured, in full, their commitment till 30th April, 2018, by paying the aforesaid consideration agreed upon between the Company and the Buyer. Hence, the Company has given further time, without prejudice to the company's interest, till October, 2019. Despite an extended time of nearly One and Half year, the Buyer has paid or settled to the Company an amount to the extent of Rs. 7,056.02 Lakh (Rupees Seven Thousand Fifty Six point Zero Two Lakh only). The full consideration has not been received by the Company, despite the company's efforts to receive the full consideration.

Considering the failure of the Buyer to honour their commitment, the Board had dropped the Slump sale and intimated the same to the buyer and BSE Ltd. There has been no response from the Buyer in respect of the aforesaid communication.

As there had been no developments in the matter, the company has analysed the legal implications and based on the legal opinion which clearly stated that there is has been no subsisting obligation under the MOU to return the amounts to the Buyer and it is would not be necessary to reflect these amounts as liabilities in the books of account of the Company. Hence the amount of Rs.7056.02 Lakhs (Rupees Seven Thousand Fifty Six point Zero Two Lakh only) was written back as this would be in the best interest of all stakeholders.

While taking the aforesaid action, the Board has noted that the matter might be subject to the adjudication of any legal claims in future by the Buyer. In that eventuality, the Company may make a counter claim or a fresh negotiation.

The notes to the earlier years Financial Statements contain the details regarding the Slump Sales

The statutory auditor has relied upon the legal opinion, in this regard.

#### **05.16. Deferral tax**

The company has no need to pay any tax under normal provision or under MAT (minimum Alternate Tax). Major part of the Income is due to exceptional Items. In view of the above, the company has not considered the deferral tax. The company shall consider the Deferral tax in the coming financial years, considering the operating results.

## EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

### 05.17. Corporate Social Responsibility

Since the business income for the financial year 2023-24 (excluding the Exceptional Items) has been less than Rs. 500.00 Lakhs, the company is of the view that Corporate Social Responsibility is not applicable, in respect of the profit for the year 2023-24.

### 05.18. Non-Disclosure of the details under Employees Benefits, Ind AS-19

- (01) The Company has opened a Gratuity Scheme with Life Insurance Corporation of India (LIC), for settling any amount due on account of Gratuity. Under the aforesaid Scheme, the company has to contribute annual premium, based on the amount arrived by LIC. The Company has made the payment of all the outstanding (as at 31-03-2024) Gratuity Premium to Life Insurance Corporation of India (LIC), during the current year.
- (02) Due to aforesaid fact, the estimated return from the fund or scheme may not be ascertained or determined in respect of the previous year. Accordingly, no disclosure has been made, in terms of Ind AS-19. The Company is taking sincere steps of adopting Ind AS-19, any implications arising there from including the valuation of future liability on actual basis and determination of plan assets will be done during the next year.

### 05.19. Re-Paying of liabilities Written off previously

During the earlier year, an amount of Rs. 517.19 Lakh payable to a creditor, has been written off and shown as income, since the same was not required to be payable. However, during the current year, the aforesaid creditor, demanded the payment and agreed to settle the same for an amount of Rs.200.00 Lakh, which is required to be paid on monthly installment with effect from November 2022. Accordingly, an amount of Rs.50.00 Lakhs has been charged in Statement of Profit & Loss, during the year, in respect of the period from Nov., 2022 to March, 2023.

### 05.20. Code on Social Security, 2020

The Code on Social Security, 2020 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code and the associated rules when it comes into effect and will record any related impact in the period the Code becomes effective.

### 05.21. Security offered

- 05.21.01. The secured Loan, shown as liability in the Notes on Financial Statement under the grouping "Other Long-Term Liabilities", amounting to Rs.468.98 Lakh (previous year Rs. 468.93 Lakh), is secured by first charges on Plant and Machineries of the Company.
- 05.21.02. The company has created charges against the assets and filed the relevant forms with MCA/ ROC

## EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

### 05.22. Additional Regulatory information/ details, as per the Companies Act 2013

05.22.01. Following Additional Regulatory Information, relating to disclosure in the Balance sheet

- (01) Title deeds of Immovable Property not held in name of the Company  
The Title Deed of the company is held in the name of the Company.
- (02) Revaluation of the Property  
During the Financial Year under report, the Company has not revalued its Property, Plant and Equipment. Disclosure relating to “whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017” is not applicable.
- (03) Loans or Advances to Promoters  
During the year, the company has not made (or granted) any Loans or Advances in the nature of loans to promoters, Directors, Key Managerial Personnel (KMP) and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person. Accordingly, no disclosure has been made.
- (04) Intangible assets under development: Nil (Disclosure not applicable)
- (05) Benami Property  
The Company, for the current year as well as previous year, does not have any Benami property and no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under. Accordingly, the company has not made any disclosure in the above regard.
- (06) Willful defaulter  
The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India
- (07) Relationship with Struck off Companies  
The Company has not made, or entered into, any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. No disclosure is required under this paragraph.
- (08) Registration of charges or satisfaction with Registrar of Companies (ROC)  
: Not Applicable
- (09) Compliance with number of layers of companies  
The Company has not made any investments in any other company or body corporate. Hence, the compliance of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021 is not applicable to the company for the year under report.

## EL FORGE LIMITED

### Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

- (10) Compliance with approved Scheme(s) of Arrangements  
During the financial year, neither the Company nor its Board of Directors has entered into any Arrangement or Agreement either to amalgamate or acquire any company. Accordingly, compliance with approved Scheme(s) of Arrangements does not applicable to the Company for the year under report
- (11) Utilization of Borrowed funds and share premium
  - (a) The Company, for the current year as well as previous year, has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - (b) The Company, for the current year as well as previous year, has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
    - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (12) Borrowings from banks against Current Assets of the company  
No disclosure required under this item is applicable to company, since no borrowings have been availed based on security of current assets of the Company.
- (13) Borrowings against Current Assets of same group companies/ entities  
No disclosure required under this item is applicable to company, since no borrowings have been availed based on security of current assets of other entities (The Company does not have any company as a group company) within the same Group

05.22.02. Additional regulatory information, relating to Statement of Profit and Loss (Not Applicable items, only)

- (01) Transaction not recorded in the books:  
The Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), relating to any transaction not recorded in the books of accounts. Accordingly, no disclosure is required to be given by the Company, in the above regard.

## EL FORGE LIMITED

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Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.

Notes No. 5.00, relating to other information, forming an integral part thereof

- (02) Corporate Social Responsibility (CSR)  
During the financial year the Company has not covered under section 135 of the Companies Act, 2013. Accordingly, no disclosure is required to be given by the Company, in the above regard.
- (03) Investment Crypto Currency  
The Company, for the current year as well as previous year, has not traded or invested in Crypto currency or Virtual Currency. Accordingly, no disclosure is required to be given by the Company, in the above regard.

05.22.03. Explanation to Accounting Ratios

- (01) Numerator and Denominator  
Whenever two numbers are to be divided and the dividing symbol ( $\div$ ) is used; the numerical value left hand side of the symbol is numerator and the numerical value right hand side of the symbol is denominator; if slash (/) is used the numerical value left hand side of the symbol is numerator and the numerical value right hand side of the symbol is denominator; or if horizontal line (—) is used the numerical value above the line is numerator and the numerical value below the line is the denominator.
- (02) Quotient  
A quotient is the result obtained, while dividing divide one number (i.e., numerator) by another number (Denominator).
- (03) Percentage (or Per Cent)  
The word per cent means per 100. It is represented by the symbol “%”; percentage is obtained by multiplying the quotient by 100 (One Hundred)
- (04) Change in Ratio in % (Based CY as basis)  
The above implies difference is arrived taking CY figure (Quient or percentage) reducing the FY Figure; aforesaid difference is divided by CY figure and multiplied by 100, to arrive the percentage
- (05) All the above is relevant, wherever Ratio and its formula are referred;
- (06) Earning for available for debt service is the sum of the followings
  - (a) Net Profit after taxes
  - (b) Non-cash operating expenses like depreciation and other amortizations
  - (c) Interest
  - (d) Other adjustments like loss on sale of Fixed assets etc.

## EL FORGE LIMITED

**Notes to the Ind-AS financial statements for the year ended 31-03-2024, forming an integral part thereof.**

Notes No. 5.00, relating to other information, forming an integral part thereof

- (07) Debt service = Interest & Lease Payments + Principal Repayments
- (08) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (09) Net credit sales = Net credit sales consist of gross credit sales minus sales return
- (10) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (11) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (12) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (13) Working capital = Current assets - Current liabilities.
- (14) Earnings before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- (15) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (16) Return on Investment: various contains of the formula are as follows:
  - (i) T1 = End of time period
  - (ii) T0 = Beginning of time period
  - (iii) t = Specific date falling between T1 and T0
  - (iv) MV(T1) = Market Value at T1
  - (v) MV(T0) = Market Value at T0
  - (vi) C(t) = Cash inflow, cash outflow on specific date
  - (vii) W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as  $[T1 - t] / T1$

05.22.04. Accounting Ratios

Accounting Ratios are given in the separate Note Number 06, enclosed herewith  
**Signatories to all Notes on Financial Statements (Standalone)**

As per my Report of even date attached

On Behalf of Board of El Forge Ltd

D. Venkatesan (ICAI M.No. 026465)  
Chartered Accountant  
UDIN: 24026465BKDBGK7236

V. Srikanth (DIN 0076856), Chairman

K.V.Ramachandran, Vice Chairman & Managing Director  
DIN:00322331

R. Sowmithri Chief Financial Officer & Company Secretary

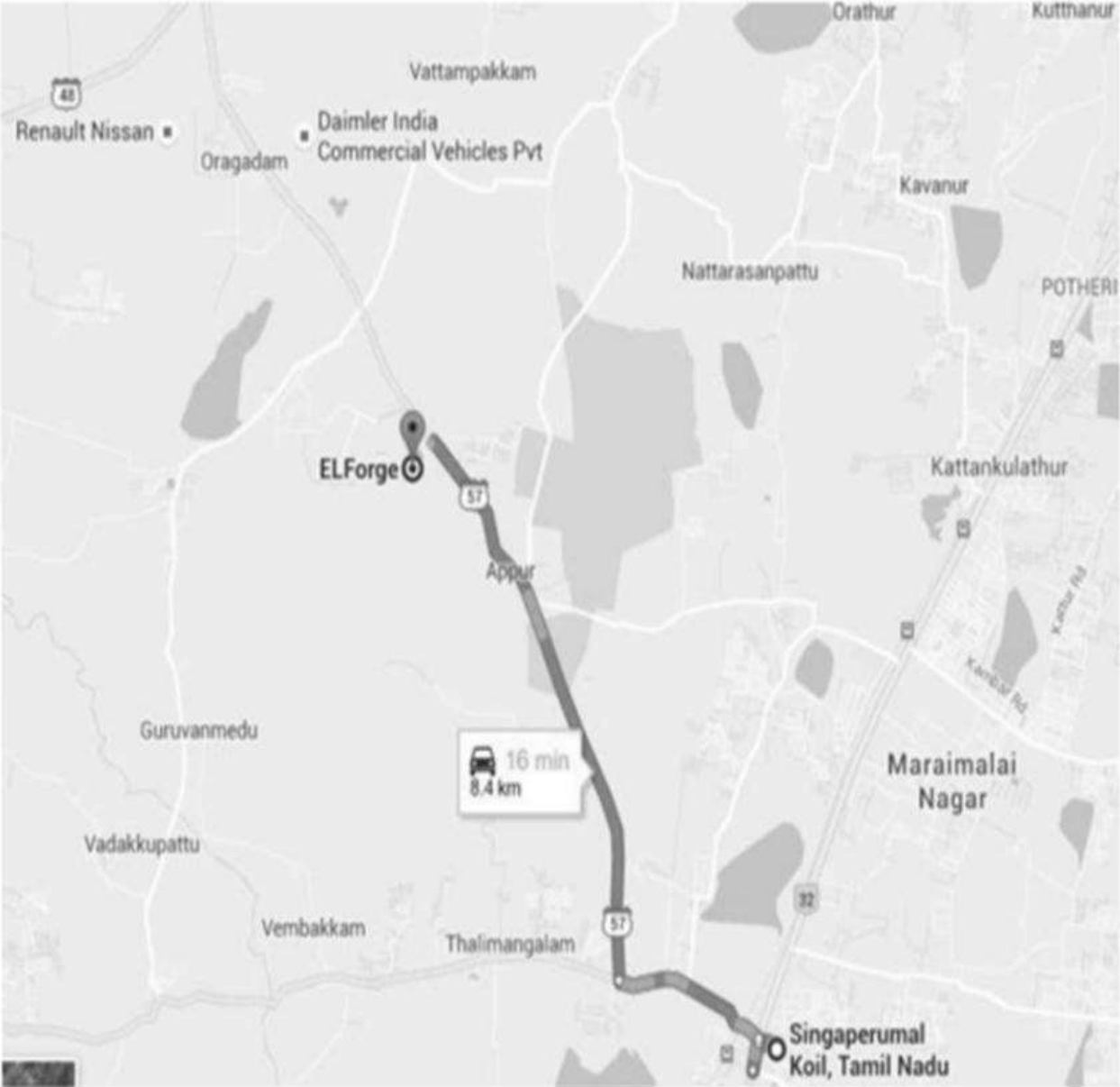
Place: Chennai  
Date: 24-05-2024

Place: Chennai  
Date: 24-05-2024



# EL FORGE LIMITED

## AGM VENUE ROUTE MAP





# EL FORGE LIMITED

Regd.Off : No.1A, Sriperumbudur High Road (Via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpattu District 603204 Phone: (044) 47112500 Fax: (044) 47112523 Corp.Office : No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai 600018 Ph (044)24334010  
 Email id:[edf@elforge.com](mailto:edf@elforge.com) Web Site : <http://www.elforge.com> CIN : L34103TN1934PLC000669

## ATTENDANCE SLIP

|                                       |
|---------------------------------------|
| <b>88<sup>TH</sup> ANNUAL GENERAL</b> |
|                                       |

I/We hereby record my/our presence at the 88<sup>TH</sup> Annual General Meeting at Registered Office of the Company at 1A Sriperumbudur High Road, Appur Village, Kattangulathur Onrium, Chengalpattu District, 603204 on Wednesday the 25<sup>th</sup> September, 2024 at 11:45AM

.....  
 Member's Folio /  
 DP ID Client ID No.

.....  
 Member's Proxy's Name  
 in Block Letters

.....  
 Member's Proxy's  
 Signature

### Voting through Electronic Means

| <u>EVEN (E Voting Event Number)</u> | <u>USER ID</u> | <u>PASSWORD/PIN</u> |
|-------------------------------------|----------------|---------------------|
|                                     |                |                     |

### Notes :

1. Please fill up DP ID-Client ID No. and Name and sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL
2. Electronic Copy of the Annual Report No.2023-24 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose address is registered with the Company/Depository Participant unless any member has requested a hard copy of the same. Members receiving electronic copy attending the AGM can print the copy of the Attendance Slip



# EL FORGE LIMITED

Regd.Off : No.1A, Sriperumbudur High Road (Via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpattu District 603204 Phone: (044) 47112500 Fax: (044) 47112523 Corp.Office : No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai 600018 Ph (044)24334010  
 Email id:[edf@elforge.com](mailto:edf@elforge.com) Web Site : <http://www.elforge.com> CIN : L34103TN1934PLC000669

**Form No.MGT-11 Proxy Form**  
**[pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]**

Name of the member(s) : .....  
 Registered Address : .....  
 E-mail ID : .....  
 Folio No./Client ID, DP ID : .....

I/We being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- (1) Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/er,
- (2) Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/er,
- (3) Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/er,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 88<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday the 25th September, 2024 at 11:45AM at No.1A, Sriperumbudur High Road (Via) Singaperumal Koil, Appur Village, Kattangulathur Onrium, Chengalpattu District 603204 and at any adjournment thereof in respect of such resolutions as are indicated below

| Resolution No. | Resolutions  | Optional * |         |
|----------------|--|------------|---------|
|                |  | For        | Against |
| 1.             | Consider and adopt Audited Financial Statements, Directors' Report and Auditors Report   |            |         |
| 2.             | To Appoint a Director in the Place of Mr. V Srikanth who retires by rotation and being eligible offers himself for reappointment |            |         |
|                | <b>Special Business</b>  |            |         |
| 3.             | Continuation of Mr. S Balakrishnan as an Independent Director of the Company   |            |         |
| 4.             | Approval for Increase in Overall Borrowing Limits of the Company   |            |         |
| 5.             | Approval for Increase in limits for Securitization / direct assignment and creating charge of the assets of the company          |            |         |

Signed this 25th day of September 2024.

|                                   |
|-----------------------------------|
| Affix<br>Revenue<br>Stamp<br>Re`1 |
|-----------------------------------|

Signature of Shareholder : .....  
 Signature of Proxyholder(s) .....

- Note: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting
- (2) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If You leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (3) Please complete all details including details of member(s) in above box before admission.