

EL FORGE LIMITED

ANNEXURE A TO THE DIRECTOR'S 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

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	6	6	Yes	2	-	-
Mr.K.V.Ramachandran	Executive	6	6	Yes	2	-	-
Mr.V.Ramachandran	Non-Executive & Non-Independent	6	6	Yes	1	-	-
Mrs.R.Sowmithri	Executive	6	5	Yes	5	-	-
Mr. J.Aron Rakkesh	Non Executive & Independent	6	6	NA	2	-	-
Ms.Nivedita Lakshmi Ratan	Non Executive & Independent	6	6	NA	2	-	-

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 conforming 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

The Board is comprised of whole time Director–Vice Chairman & Managing Director, the Executive Director (Finance), non executive Chairman, non executive promoter Director and non executive Independent Directors..

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During the financial year 2019-2020, Six (6) Board Meetings were held on 06/05/19, 30/05/19, 12/08/19, 15/10/19, 11/11/19 and 12/02/20. Details of Composition of the Board of Directors, Directors' Attendance Records and Directorships are given below

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 177 of 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 2019-2020, four Audit Committee Meetings were held on 30/05/19, 12/08/19, 11/11/19 and 12/02/20.

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 2019-20	
		Held	Attended
Ms.Nivedita Lakshmi Ratan	Chairman	4	4
Mr.V.Srikanth	Member	4	4
Mr. J. Aron Rakkesh	Member	4	4
Mr.V.Ramachandran	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.

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- 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 Wholetime 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 2019-20	
		Held	Attended
Mr.j.Aron Rakkesh	Chairman	1	1
Mr. V.Ramachandran	Member	1	1
Mr. V.Srikanth	Member	1	1
Ms. Nivedita Lakshmi Ratan	Member	1	1

Details of Remuneration paid to Board of Directors

Non-whole time Directors		Whole time Directors			
Name	Sitting Fees	Name	Salary	Perquisites	Total
	(Rs.)		(Rs.)	(Rs.)	(Rs.)
Mr.V.Ramachandran	11000	K.V.Ramachandran	2915000	810994	3725994
Mr.V.Srikanth	-				
Mrs.Niveditha Lakshmi Rattan	-	R.Sowmithri	2145000	36550	2505550
Mr.J.Aaron Rakesh	-				
Total	11000				

Service Contracts, Severance Fees and Notice Period :

Period of Contract of Vice Chairman & Managing Director : 3 Years from 01.04.2019;

Period of Contract of Executive Director: 3Years from 30.03.2019.

5. Stakeholders Relationship Committee

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

During the Financial Year 2019-20 four Shareholders / Investors Grievance Committee Meetings were held on 30/05/19, 12/08/19, 12/11/19 and 12/02/20.

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

EL FORGE LIMITED**1. Stakeholders Relationship Committee**

Name of Members	Position	No. of Meetings attended during the year 2019-2020
Mr.J.Aron Rakkesh	Chairman	4
Mr.V.Srikanth	Member	4
Mr. K.V.Ramachandran	Member	4
Mrs. R.Sowmithri	Member	4

2. Share Transfer Committee

Name of Members	Position	No. of Meetings attended during the year 2019-2020
Ms.Nivedita Lakshmi Ratan	Chairman	4
Mr.J.Aron Rakkesh	Member	4
Mr. K.V.Ramachandran	Member	4
Mrs. R.Sowmithri	Member	4

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

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

The Board has complete 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.
- VII. Fatal or serious accidents, dangerous occurrences etc.
- VIII. Operational highlights.
- IX. Major investments.

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- X. Award of large contracts.
- XI. Disclosure of interest by Directors about Directorship and committee positions occupied by them in other companies.
- XII. Quarterly Report on Foreign exchange exposures.
- XIII. Any significant development in Human Resources / Industries Relations.
- XIV. Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non payment of dividend, delay in transfer of shares etc.,
- XV. Short term investments.
- XVI. Information relating to any legal disputes.
- XVII. Other materially important information.

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
2017—18	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 27, 2018	11.30 AM
2018-19	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 25, 2019	11.30AM
2019-20	Registered Office of the Company at 1A, Sriperumbudur High Road, (Via) Singa-perumal Koil, Appur Village, Kattangulathur Onrium, Kancheepuram District 603204.	Sep 25, 2020	11.30AM

No Special Resolution was required to be passed through postal ballot at any of the above General Meetings last year. This year the Company has not proposed any Special Resolutions requiring Postal Ballot.

8. Subsidiary Companies

The company has no subsidiaries.

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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.

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 Information on appointment of new / re-appointment of Directors

During the year the no new Directors have been appointed. The Vice Chairman&Managing Director Mr.K.V.Ramachandran and executive director Mrs.R.Sowmithri has been reappointed for a period of three years and the resolution is placed for the members approval.

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. The company's application for revocation of suspension in trading of equity shares is pending with BSE.

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 Trinity Mirror and Makkal Kural 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

13. General Shareholders information

Annual General Meeting

Date and Time	: 25th Sep, 2020 at 11.30 AM
Venue	: 1A, Sriperumbudur High Road, Appur Village, Kancheepuram District 603204
Book Closure Date	: 22//09/2020 to 25/09/2020 (both days inclusive)
Cut off date for e-voting	: 18th September, 2020
E-Voting	: 22st September, 2020 (9.00 am) to 24th September, 2020 (5.00 pm)

EL FORGE LIMITED**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) Date of Book Closure

The Directors decided to close the Register of Members from 22th September, 2020 to 25th September, 2020 both days inclusive.

d) Listing on Stock Exchanges

The Company's shares are listed on
BSE

Phiroze Jee Jee Bhoy Towers
Dalal Street, Mumbai 400 001

At present the trading in BSE has been suspended. The company has appealed for revocation of the suspension and is hopeful of getting this completed .

e) Stock Code

BSE – Script Code No.531144

f) Market Price Data

As the trading of shares in BSE has been suspended the details of monthly highest and lowest closing quotations of the equity shares of the Company are not available.

(g) 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

h) 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.

i) Investor Services

Complaint received during the year

Nature of the Complaints	For the Year 2019 – 20	
	Received	Cleared
Relating to Transfer, Transmissions, Dividend, Demat and Remat and Change of Address etc.	0	0

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j) Distribution of Shareholdings as on 31st March, 2020

Sl.No	Category	No.of Holders	% of Holders	No.of Shares	% of Shares
1.	Upto 100	5589	56.661	287145	1.413
2	101 – 250	1558	15.795	286616	1.410
3.	251 – 500	1063	10.777	422693	2.080
4.	501 – 1000	640	6.498	517900	2.548
5.	1001 – 5000	689	6.985	1578953	2.548
6.	5000 – 10000	134	1.358	1019198	5.015
7.	10001 & Above	191	1.936	16211799	79.765
Total		9864	100.000	20324304	100.000

k) Pattern of Shareholding as on 31st March, 2020

Sl.No.	Category	No.of Shares	% of Shareholding
1.	Promoters	8273358	40.70
2.	Corporate Bodies	1731133	8.52
3.	Mutual Funds	1605	0.01
4.	Banks	945	0.00
5.	NRI's/Foreign Nationals	141187	0.69
6.	Public	10176075	50.07
	Total	20324304	100.00

13. Address for Correspondence

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

To the Company Mrs.R.Sowmithri Compliance Officer and Company Secretary 21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600 018. Ph No. 24334010 Email : edf@elforge.com	To the Registrar & Transfer Agent - for Shares Transfers / Transmissions etc. Mr.K.Suresh Babu Director Integrated Registry Management Services Pvt Ltd, Kences Towers, IInd Floor, 1,Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017. Ph : 28140801 Email : srirams@integratedindia.in
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14. 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.

15. Compliance with Non-mandatory Requirements

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

- i) The Board: No specific tenure has been specified for the Non Executive Director, Mr. V. Ramachandran.
- ii) Remuneration Committee : Details are given under the heading Remuneration Committee.
- iii) Shareholder Rights - The financial results are also put up on the Company's website.
- iv) Audit Qualification:.

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

- V. 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, 2019

Place: Chennai

Date : 29/07/2020

K V RAMACHANDRAN

VICE CHAIRMAN AND MANAGING DIRECTOR

(DIN NO.:00322331)