



**ANNUAL REPORT  
2018-2019**

**Registered Office & Factory**

Plot No. 1-5, Survey No. 92/1,  
Near Shan Cement, N.H. 27,  
Hadamtala Industrial Area,  
Village: Hadamtala, Tal: Kotda Sangani  
Rajkot 360311, Gujarat.

+91 2827 - 270512  
Overseas : [export@tirupatiforge.com](mailto:export@tirupatiforge.com)  
Domestic : [info@tirupatiforge.com](mailto:info@tirupatiforge.com)  
[www.tirupatiforge.com](http://www.tirupatiforge.com)  
CIN : L27320GJ2012PLC071594

# Table of Contents

| Sr. No. | Particulars                               | Page No. |
|---------|---|----------|
| 1       | About Us                                  | 1        |
| 2       | Corporate Information                     | 2        |
| 3       | Message from Chairman & Managing Director | 7        |
| 4       | Notice of Annual General Meeting          | 9        |
| 5       | Directors' Report                         | 22       |
| 6       | MGT - 9                                   | 42       |
| 7       | Secretarial Audit Report                  | 58       |
| 8       | Management Discussion and Analysis        | 63       |
| 9       | CFO Certification                         | 67       |
| 10      | Independent Audit Report                  | 68       |
| 11      | Financial Statement                       | 79       |
| 12      | Attendance Slip                           | 97       |
| 13      | Proxy Form                                | 98       |
| 14      | Route Map of the Venue of AGM             | 99       |

## 7<sup>TH</sup> ANNUAL GENERAL MEETING

Date: **September 20, 2019**

Day: **Friday**

Time : **11:00 a.m. (IST)**

Venue : **Registered Office of the Company**

Plot No. 1-5, Survey No. 92/1, Near Shan Cement,  
Hadamtala Industrial Area, N.H. 27, Taluka : Kotda Sangani,  
Hadamtala, Rajkot - 360 311.  
Gujarat. India.



# ABOUT US

**Tirupati** was incorporated in the year 2012 with focus to manufacturing mass quantity of Carbon Steel Forged Flanges, Forged components and other automotive components. **Tirupati** is equipped with the modern CNC Machine Shop and technology upgraded infrastructure required for the meticulous machining center to be supported by quality assurance department. We had astounding growth focusing its activities for catering the need of international market by 90% of product utilization.

Having installed capacity of 18000 TONS per annum. Our stringent quality control measure and full proof system got us accredited with ISO-9001:2015 certification, PED - AD 2000 and CRN (Canadian Registration Number) with **Tirupati** brand name. Our forged flanges and forged components largely shipped to U.S.A., European and African Countries.

We are equipped with the modern forge shop and machining facilities available under one roof adhering to stringent quality control measures. The entire system is backed by proper documentation, traceability until the end product, with quality checks as required under ISO regulations.

A Strong motivated team of engineers, responsive marketing, solid support from our manufacturing shop resulting into customer satisfaction, catapulting **TIRUPATI** to a strong position.

**Tirupati** will achieve complete satisfaction of customers by providing quality forgings/finished flanges and product related services, through continuous improvement in quality management system.

**TIRUPATI** believes QUALITY is not just about a good product, but its about good attitude which encompasses all spheres of corporate.



# CORPORATE INFORMATION

## Board of Directors

**Mr. Hiteshkumar G. Thummar**  
Chairman & Managing Director

**Mr. Ajay V. Sardhara**  
Whole Time Director

**Mr. Bhavesh T. Barsiya**  
Director

**Mrs. Darshna H. Thummar**  
Non Executive &  
Non Independent Director

**Mr. Ramesh M. Patel**  
Non Executive &  
Independent Director

**Mr. Sachin P. Ravani**  
Non Executive &  
Independent Director

## Chief Financial Officer

**Mr. Atul L. Natu**  
E-mail: cfo@tirupatiforge.com

## Company Secretary & Compliance Officer

**Ms. Jalpa N. Doshi**  
[ICSI Membership No.: ACS 54465]  
E-mail: cs@tirupatiforge.com

## Registered Office

Plot No. 1-5, Survey No. 92/1, Near ShanCement, Hadamtala Industrial Area, N.H. 27,  
Taluka:Kotda Sangani, Hadamtala, Rajkot 360311 Gujarat. India.  
**Tel. No. :** +91 2827 270512 **E-mail :** info@tirupatiforge.com **Web :** www.tirupatiforge.com

## Audit Committee

**Mr. Ramesh M. Patel**  
Chairman

**Mrs. Darshna H. Thummar**  
Member

**Mr. Sachin P. Ravani**  
Member

## Nomination & Remuneration Committee

**Mr. Sachin P. Ravani**  
Chairman

**Mrs. Darshna H. Thummar**  
Member

**Mr. Ramesh M. Patel**  
Member

## Stakeholders' Relationship Committee

**Mr. Sachin P. Ravani**  
Chairman

**Mrs. Darshna H. Thummar**  
Member

**Mr. Ramesh M. Patel**  
Member

## Complaints Committee for Sexual Harassment Complaints Redressal

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**Mrs. Darshna H. Thummar**  
Chairperson

**Mr. Hitesh G. Thummar**  
Member

**Mr. Ajay V. Sardhara**  
Member

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### Statutory Auditors

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**Maharishi & Co.,**  
**Chartered Accountants**  
Firm Registration No.: 124872W  
"Aparna", Behind Jivandeep Hospital, Limda Line, Jamnagar 361 001 Gujarat. India.  
E-mail: info@jainandmaharishi.com

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### Secretarial Auditors

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**Mr. Piyush Jethva,**  
**Practising Company Secretary**  
ICSI Membership No.: 6377 | COP No.: 5452  
806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank,  
Limda Chowk, Rajkot - 360 001 (Gujarat) India

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### Internal Auditors

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**M. B. Sardhara & Associates,**  
**Chartered Accountants**  
Firm Registration No.: 127974W  
"Sardhara House", Bhaktinagar Soc., Marg-1, Near Vrundavan Dairy,  
Kanta Stri Vikas Gruh Road, Rajkot 360 002 Gujarat. India.  
E-mail: mbsardhara@gmail.com

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## Stock Exchange

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**National Stock Exchange of India Ltd.**

**Emerge - An SME Platform**

Exchange Plaza, Plot No. C/1,

G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400051, Maharashtra, India.

Website: [www.nseindia.com/emerge/](http://www.nseindia.com/emerge/)

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## Registrar & Share Transfer Agents

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**Link Intime India Private Limited**

C 101, 247 Park, L.B.S. Marg, Vikhroli(West), Mumbai 400 083, Maharashtra, India.

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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## Bankers to the Company

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**Indian Overseas Bank**

Vaniawadi Branch, Near, Bhaktinagar Circle, Rajkot - 360 002 Gujarat. India.

E-mail: [iob0427@iob.in](mailto:iob0427@iob.in) | Website: [www.iob.in](http://www.iob.in)

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## VIEW OF EXPANSION



Over view of New Shed at factory building



4 TON MPM Hammer



630 TON Lasco Hydraulic Extrusion Press



Cutting Shop



500 TON Trimming Press



Quick look of Testing Laboratory

## MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



Dear Stakeholders,

It gives me immense pleasure and privilege to place this seventh annual report before you with a sense of thankfulness and gratitude to all associated with the Company. Your trust and faith in the Company are inspirational force for Tirupati and it encourages us to work hard and harder in the growth process of the Company.

2018-19 has been an exciting and eventful year with significant achievement. In this entire journey, customers have been at the soul of our initiatives and I sincerely thank them for their confidence kept with us. Without such immense support there is no possibility of progress of company. I feel a strong sense of responsibility to sustain and strengthen relationships with our consumers, partners, stakeholders, banker and communities. This is the appropriate occasion and I would like to thank all employees, partners, stakeholders and bankers for unstinted trust and confidence in the company.

At this point of time, I have the pleasure and privilege to share main highlights of the last financial year's performance (2018-2019), and outlook for the next financial year as mentioned below:

- ♣ Total Revenue from Operations increased from Rs. 20,79,07,254/- of previous F.Y 2017-18 to Rs. 41,83,91,640/- of the reporting financial year.
- ♣ Profit before exceptional & extra-ordinary items and tax increased from Rs.2,13,09,954/- of previous F.Y. 2017-18 to Rs. 5,85,32,616/- of the reporting financial year.
- ♣ Net Profit increased from Rs. 1,54,52,582/- of previous F.Y. 2017-18 to Rs. 4,18,93,911/- of the reporting financial year.
- ♣ Earnings Per Share (EPS) for the F.Y. 2018-19 is Rs. 7.21/- as compared to Rs. 3.57/- of F.Y. 2017-18.

From above information it is revealed that, In spite of various disruptive challenges, the “Tirupati” is able to achieve its goal. The automotive industry is facing disruption due to introduction of electric cars. Due to heavy promotion in favor of electric cars, the present automotive industry is passing through heavy threat of business loss. It is very hard to sustain in such adverse condition. I feel immense pleasure that due to collective action of our team, the company managed to achieve its milestone. The turnover of the company is almost more than double for this financial year. The figures of profit also showing enormous growth.

I would like to announce that in month of March 2019 the shareholders has approved the issue of 11,88,000 Warrant which is convertible in Equity Shares on later date. I want to inform that the Board of Directors has decided to issue bonus shares to the Share Holder of the Company in its second year after listing of the securities.

The company got listed on Emerge Platform of National Stock Exchange of India Limited (NSE EMERGE) on Thursday, October 12, 2017. The Company is planning to migrate itself under the automatic migration route of Stock Exchange after completion of its two years from the date of listing.

I would like to present my gratitude for the assistance and support from Bankers, Investors, Vendors and most importantly our customers. They all are highly valuable and I express my respect, deep regards and Heartfelt thanks to them, without whom the wheels of progress cannot move at desired speed.

At last I want to conclude my message with the quote.

#### **LOOK IN THE MIRROR THAT'S YOUR COMPETITION.**

The above quote is making me so happy because it reveals that there is only one competition which is with you only. I strongly believe that it's easy to compare yourself against other people. But when you compete against other people, you judge yourself based on their values and metrics. The problem with this is even if you win, you only do something that's important to them, not you. Life is a competition, but it's not a race against anyone else. Rather, the real journey is only against your own self. The purpose of life shall to know unrealized potential which hide in yourself. The quote reveals to go beyond the boundaries you ever dream about and our team always working hard to make it possible.

Sd/-  
**Hiteshkumar G. Thummar**  
**Chairman & Managing Director**  
[DIN: 02112952]

# NOTICE

## NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the **Seventh Annual General Meeting (AGM)** of the Members of **TIRUPATI FORGE LIMITED** ("the Company") is scheduled to be held on **Friday, September 20, 2019 at 11:00 a.m.** at the Registered Office of the Company situated at **Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, N.H. 27, Taluka: Kotda Sangani, Hadamtala, Rajkot 360 311 Gujarat India** to transact the following businesses:

### ORDINARY BUSINESS:

- 1) To Receive, Consider and Adopt the Financial Statement including Audited Balance Sheet as on 31<sup>st</sup> March 2019 and Profit & Loss Account for the year ended on that date and reports of Board of Directors and Auditor thereon and Cash Flow Statement and other various schedule prescribed under the Companies Act, 2013.
- 2) To appoint a Director in place of **Mr. Ajay Vithalbhai Sardhara, Director [DIN: 06386557]**, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) Appointment of Statutory Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, **Maharishi & Co., Chartered Accountants [ICAI Firm Registration No. 124872W]**, be and are hereby appointed as Statutory Auditors of the Company, to hold office from conclusion of this Annual General Meeting (Seventh Annual General Meeting) until the conclusion of the Tenth Annual General Meeting of the Company to be held in the year 2022, at such remuneration as may be recommended by the Audit Committee and approved by the Board of Directors of the Company."

### SPECIAL BUSINESS:

- 4) **AMENDMENT IN MEMORANDUM OF ASSOCIATION:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under,

the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 7,00,00,000/- (Rupees Seven Crore Only) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 11,50,00,000/- (Rupees Eleven Crore Fifty Lacs Only) divided into 1,15,00,000 (One Crore Fifteen Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creation of additional 45,00,000 (Forty Five Lacs) Equity Shares of Rs. 10/- each ranking pari-passu in all respect with the existing Equity Shares of the Company;

“**FURTHER RESOLVED THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company is Rs. 11,50,00,000 (Rupees Eleven Crore Fifty Lakhs only) divided into 1,15,00,000 (One Crore Fifteen Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.

“**FURTHER RESOLVED THAT** the directors of the Company be and are hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution.”

## 5) ALTERNATION OF ARTICLES OF ASSOCIATION

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 Section 14 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force and subject to approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association of the Company be and are hereby altered in the manner set out herein below:

5.1 Insert Articles 155 (4) after Articles 155 (3) in the Articles of Association;

| Sr. No. | Particulars   |  |
|---------|---|--|
| 155(4)  | Notwithstanding anything contained in this Articles of the Company, but subject to the provisions of the Companies Act, 2013 and all other applicable rules of the statutory authorities and the rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the members of the Company who hold the Equity Shares in the Company to waive/forgo his/her/their right to receive the dividend (interim or final) by him/her/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/forgoing by the members, his/her/their right to receive the dividend (interim or final) by him/her/them under this Article shall be irrevocable immediately after the record date/book closure date fixed for determining the names of members entitled for dividend. The Company shall not be entitled to declare or pay dividend on equity shares to such Members who have waived/forgone his/her/their right to receive the dividend (interim or final) by him/them under this Article. | <b>Open to Members to waive/forgo his/her right to receive the Dividend.</b> |

5.2 Replace article 156 in the Articles of Association as under

| Sr. No. | Particulars  |  |
|---------|--|--|
| 156     | The Company in General Meeting may declare dividends to be paid to the Members other than the Members who have waived/ forgone their right of receiving any Dividend (including any interim dividend), declared/to be declared by the Company for Financial Year, in accordance with Rules framed by the Board and amended from time to time, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividend shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in General Meeting. | <b>The Company in General Meeting may declare Dividends.</b> |

5.3 Replace article 158 in the Articles of Association

| Sr. No. | Particulars  |                         |
|---------|--|-------------------------|
| 158     | Subject to the provisions of the Act, the Directors may, from time to time, pay to the members other than the members who have waived/ foregone their right of receiving any dividend declared /to be declared by the Company for any financial year, in accordance with Rules framed by the Board and amended from time to time, such interim dividends as in their judgment the position of the Company justifies. | <b>Interim Dividend</b> |

**RESOLVED FURTHER THAT** consent of the Members be and is hereby accorded for authorizing Board of Directors for framing Rules for equity members who want to waive/ forgo the right to receive dividend in respect of any financial year and amend the same from time-to-time”

**RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company be and is hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty, or doubt that may arise in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this regulation to any Committee of Directors of the Company or Officer(s) of the Company in order to give effect to this resolution.

## 6) ISSUE OF BONUS SHARES

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

**“RESOLVED THAT**, in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors (hereinafter referred to as 'The Board', which expression shall be deemed to include a committee of directors duly authorised in this behalf) of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018 (as amended from time to time) and applicable Regulatory Authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of such sum standing to the credit of securities premium / free reserves of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus shares of Rs.10/- (Rupees Ten only) each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ('record date') as fixed in this regard by the Board, in the proportion of 6 (Six) equity share for every 10 (Ten) existing equity share held by the Members.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to make appropriate adjustments on issue of bonus shares as aforesaid, to the outstanding options granted to the warrant holder of the Company pursuant to the Convertible warrant issued on 14th March 2019, subject to exercise the option of conversion the warrant to fully paid equity shares and the bonus granted to such warrant holder shall keep in reserve up to full conversion of convertible warrant in equity shares.

**RESOLVED FURTHER THAT**, the Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up equity shares of the Company as existing on the 'record date' (as determined by the Board) and shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.

By Order of Board of Directors  
For, TIRUPATI FORGE LIMITED

sd/-  
Hiteshkumar G. Thummar  
Chairman & Managing Director  
[DIN: 02112952]

Hadamtala (Rajkot)  
August 20, 2019

Registered Office:

Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, N.H. 27,  
Taluka: Kotda Sangani, Hadamtala, Rajkot 360 311 Gujarat. India.  
Tel. No.: +91 2827 270512  
E-mail: info@tirupatiforge.com  
Website: www.tirupatiforge.com

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") is also annexed.
2. A Member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said Resolution to attend and vote on their behalf at the Meeting.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

3. All the documents referred to in the accompanying notice and the explanatory statement is open for inspection at the Registered Office of the Company during business hours from Monday to Friday up to the date of this Annual General Meeting of the Company.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

6. The notice of AGM along with Annual Report for 2018-19 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
7. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.
8. This notice along with Annual Report for 2018-19 is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories as on August 16, 2019
9. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.
10. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, [www.tirupatiforge.com](http://www.tirupatiforge.com) for download.
11. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them.
13. No gifts shall be provided to members before, during or after the AGM.
14. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
15. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
16. A route map showing direction to reach the venue of the 7th AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting.

## 17. Voting through electronic means :

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules issued there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its Members through the remote e-voting platform provided by National Securities Depository Limited (NSDL).

The person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on closing of Friday, September 13, 2019 i.e. cut-off date only shall be entitled to avail the facility of remote e-voting as well as the voting in the AGM. The Members may cast their votes on electronic voting system from place other than the venue of the meeting ("remote e-voting").

The Register of Members and Share Transfer Books shall remain closed from Saturday, September 14, 2019 to Friday, September 20, 2019 (both days inclusive).

The remote e-voting period will commence at 9:00 a.m. (IST) on Tuesday, September 17, 2019 and will end at 5:00 p.m. (IST) on Thursday, September 19, 2019. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM by Ballot.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 13, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereunder.

- I This Notice of Annual General Meeting is being sent to all the Members. In addition, the Members whose e-mail ID is registered with the Company/Depository Participant(s), an e-mail containing user ID and Password for casting votes by remote e-voting shall be sent by at the registered email address of the Member(s).
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. The Member(s) whose email ID is not registered with the Company/Depository Participant(s), may obtain a login ID and password for casting his/her vote by remote e-voting by sending a request at [evotign@nsdl.co.in](mailto:evotign@nsdl.co.in) or by contacting NSDL at the Toll Free No.: 1800-222-990 mentioning your Demat Account No./Folio No.
- iv. The Member(s) who receives an email from NSDL is advised to take the following steps for casting his/her vote by remote e-voting

## INSTRUCTION NOTICE FOR E-VOTING PROCESS WITH LOGIN ID AND PASSWORD

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**



### Details on Step 1 are mentioned below:

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:   |
|--|--|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.    |
| b) For Members who hold shares in Demat Account with CDSL.     | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001* ** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password? ”](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below :**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [piyushrjethva@gmail.com](mailto:piyushrjethva@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

The Company has appointed **CS Piyush Jethva, Practising Company Secretary** to act as the Scrutinizer & shall scrutinize the entire e-voting process and ballot voting to be conducted at the Venue of Annual General Meeting. The Scrutinizer, **CS Piyush Jethva, Practising Company Secretary** (Email : [piyushrjethva@gmail.com](mailto:piyushrjethva@gmail.com)) shall scrutinize the process in fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report on the votes cast to the Chairman of the meeting.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours 10:00 a.m. to 06:00 p.m. on any working days except Wednesday, up to and including the date of the Annual General Meeting of the Company.

The Statutory Register under the Companies Act, 2013 (Register under Section 170, 189 and other section as required by the Companies Act, 2013) is available for inspection at the Registered Office of the Company during business hours between 10.00 am to 5.00 pm except on holidays and will be made available at the venue of the meeting.

Members/Proxies attending the meeting are requested to bring the Attendance Slip (duly completed) to the Meeting

**By Order of Board of Directors  
For, TIRUPATI FORGE LIMITED**

**Sd/-**

**Hiteshkumar G. Thummar  
Chairman & Managing Director  
[DIN: 02112952]**

Hadamtala (Rajkot)

August 20, 2019

### ITEM NO. 4: AMENDMENT IN MEMORANDUM OF ASSOCIATION:

The Current Authorized Capital of the Company is Rs. 7,00,00,000 (Rupees Seven Crore Only) consisting of 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and the paid up share capital of the Company is Rs. 5,98,00,000 (Rupees Five Crore Ninety Eight Lakhs Only) consisting of 59,80,000 (Fifty Nine Lakhs Eighty Thousands) Equity Shares of Rs. 10/- (Rupees Ten) each. The Company proposes to increase its authorized share capital to Rs. 11,50,00,000 (Rupees Eleven Crore Fifty Lacs Only) to facilitate capitalization of funds via issue of Bonus Shares as referred in Item No. 6 and any other fund raising in future via further issue of equity shares of the company.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 61 the Companies Act, 2013, and As per clause 4 of the Articles of Association alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives is concerned or interested in the resolution set out at Item no. 4 of the Notice except to the extent of Shareholding in the Company.

Members are requested to pass the Resolution at Item No. 4 as an Ordinary Resolution.

### ITEM NO. 5: AMENDMENT IN ARTICLES OF ASSOCIATION:

Your Directors propose to alter the Articles of Association (AOA) of the Company to enable the Members of the Company including Promoters & Promoters Group, who hold the Equity Shares in the Company to waive/Forgo his/her/their right to receive the Dividend, interim or Final, by him/her/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company or Members of the Company.

Now, pursuant to provision of Section 14 of the Companies Act, 2013, for the Alteration of Articles of Association of the Company, Members approval is required by way of passing of Special Resolution.

Hence, The Resolution as at Item No. 5 of the Notice is therefore set out as a special resolution for approval of the Members.

None of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives is concerned or interested in the resolution set out at Item no. 5 of the Notice except to the extent of Shareholding in the Company.

Members are requested to pass the Resolution at Item No. 5 as a **Special Resolution**.

## ITEM NO. 6: ISSUE OF BONUS SHARES:

The Company has reserves and surplus of Rs. 8,90,42,446 as on March 31, 2019. The Board of Directors of the Company at their Meeting held on August 20, 2019, considered it desirable to recommend issue of Bonus Shares in the ratio of 6:10 i.e. 6 (Six) equity share for every 10 (Ten) existing equity share held by the Members by capitalization of Reserves and Surplus of the Company subject to approval of the Shareholders and such other authorities as may be necessary.

Further, as per the condition of issue of warrant, the Bonus shares shall also be issued to the two warrant holders of the Company in the same ratio determined for Existing Equity Shares. However, the said Bonus shares issued against warrants shall be allotted to the warrants holders at the time of conversion of Warrants into Equity shares of the Company.

Accordingly, the resolution seeks approval of the shareholders for capitalizing Rs. 4,20,00,000 (Rupees Four Crore Twenty Lacs Only) out of the amount standing to the credit of the Reserves and surplus account and issue of bonus shares out of the same on the terms and conditions set out in the resolution. The paid up capital of the Company after bonus issue will be Rs. 9,56,80,000 (Rupees Nine Crore Fifty Six Lacs Eighty Thousand Only) except warrants to be converted into Equity Shares.

The Bonus shares on allotment shall rank pari-passu with existing Equity Shares of the Company and the bonus shares are entitled for dividend declared after the allotment shares.

The proposed Bonus Issue is not in lieu of Dividend.

No allotment letter will be issued. For shares held in Demat mode, the credit of the Bonus shares will be given directly to their Demat Account.

The issue of Bonus shares and consequent increase in the paid up capital of the Company would also satisfy the requirement of National Stock Exchange of India Limited for listing of Equity Shares of the Company and the company would also comply with all the applicable provisions of the Companies Act, 2013 and all other applicable regulations.

None of the Directors/Key Managerial Personnel or their relatives is concerned or interested in the resolution except to the extent their eligibility of bonus shares on basis of their shareholding in the Company.

Members are requested to pass the Resolution at Item No. 6 as a **Special Resolution**.

By Order of Board of Directors  
For, **TIRUPATI FORGE LIMITED**

Sd/-  
**Hiteshkumar G. Thummar**  
Chairman & Managing Director  
[DIN: 02112952]

Place: Hadamtala (Rajkot)  
Date: August 20, 2019

# Director's Report

Dear Fellow Share Owners  
TIRUPATI FORGE LIMITED

## FINANCIAL RESULTS

Your Directors have pleasure in presenting 7<sup>th</sup> Annual Report along with the Audited Standalone Financial Statements for the year ended on March 31, 2019.

### 1. FINANCIAL RESULTS:

The Financials of the Company for the year ended on March 31, 2019 is summarized as under :

(Amount in Rs.)

| Sr. No. | Particulars                            | F. Y. 2018-19      | F.Y. 2017-18       |
|---------|--|--------------------|--------------------|
| 1.      | Revenue from Operations                | 418,391,640        | 207,907,254        |
| 2.      | Other Income                           | 2,549,145          | 1,281,770          |
| 3.      | <b>Total Revenue</b>                   | <b>420,940,785</b> | <b>209,189,024</b> |
| 4.      | Cost of Materials Consumed             | 221,480,944        | 117,865,503        |
| 5.      | Purchase of Stock in Trade             | 34,472,691         | 1,828,393          |
|         | Changes in inventories                 |                    |                    |
|         | Work in Progress & By Product          | (7,211,416)        | 1,642,480          |
|         | Finished Goods                         | 1,733,889          | (12,126,759)       |
| 6.      | Employees Benefit Expenses             | 17,132,863         | 11,449,117         |
| 7.      | Finance Costs                          | 4,313,416          | 2,577,292          |
| 8.      | Depreciation and Amortization Expenses | 10,239,883         | 8,780,699          |
| 9.      | Other Expenses                         | 80,245,900         | 55,862,345         |
| 10.     | <b>Total Expenses</b>                  | <b>362,408,169</b> | <b>187,879,071</b> |
| 11.     | Profit Before Tax                      | 58,532,616         | 21,309,954         |
| 12.     | Tax Expenses                           |                    |                    |
|         | Current Tax                            | 14,860,005         | 6,259,972          |
|         | Deferred Tax                           | 1,778,700          | (402,600)          |
| 13.     | <b>Total Tax Expenses</b>              | <b>16,638,705</b>  | <b>5,857,372</b>   |
| 14.     | <b>Profit After Tax</b>                | <b>41,893,911</b>  | <b>15,452,582</b>  |
| 15.     | <b>Earnings Per Share (EPS)</b>        | <b>7.21</b>        | <b>3.57</b>        |

## OPERATIONAL RESULTS AND STATE OF COMPANY'S AFFAIRS :

The Highlights of Company's performance for the year ended on March 31, 2019

- Total Revenue from Operations increased from Rs. 209,189,024/- of previous F.Y 2017-18 to Rs. 420,940,785/- of the reporting financial year. Which is 101.23% in compare to the last financial year.
- Total Expenses has increased from Rs. 18,78,79,071/- of previous financial year to Rs. 362,408,169/- of the reporting financial year.
- Profit before exceptional & extra-ordinary items and tax increased from Rs. 2,13,09,954/- of previous F.Y. 2017-18 to Rs. 5,85,32,616/- of reporting financial year.
- Net Profit increased by from Rs. 1,54,52,582/- of previous F.Y. 2017-18 to Rs. 4,18,93,911/- of reporting financial year.
- Earnings per Share (EPS) for the F.Y. 2018-19 is Rs. 7.21/- as compared to Rs. 3.57/- of F.Y. 2017-18.

## FINANCIAL PERFORMANCE REVIEW AND ANALYSIS

Your directors are pleased to share their sensation in terms of Financial Performance of the Company. From the highlights of the financial results, it can be seen that Company has performed amazing that strengthen the financial conditions of the Company. Income from the Exports had also been increased and being export oriented Company, it is incredibly constructive mark for the Company. Your Directors are in continuous efforts to lead the Company in such a manner that result into substantial financial feat for the Company.

## CHANGE IN THE NATURE OF BUSINESS :

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company

## DECLARATION OF DIVIDEND :

With a view to plough back of profits and using Net Profit for liquidity purpose and day-to-day operational activities, your Board of Directors does not recommend any dividend for the F.Y. 2018-19.

## ISSUE OF BONUS SHARES :

The Board of Directors has recommened issue of bonus shares to the existing Share Holder of the Company. The ratio of the Bonus share will be 6 (Six) Equity Shares for every 10 (Ten) Equity shares hold by the Members or on proportion basis.

Further, as per the condition of issue of warrant, the Bonus shares shall also be issued to the two warrants holders of the Company in the same ratio determined for Existing Equity Shares. However, the said Bonus shares issued against warrants shall be allotted to the warrants holders at the time of conversion of Warrants into Equity shares of the Company

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF) :

During the year under review, there were no instances incurred pursuant to which Company would require to transfer any amount to Investor Education and Protection Fund. Hence no reporting under this is required.

## TRANSFER TO RESERVE :

The Board of Directors of your company has decided to keep the credit balance of profit and loss account to the surplus account. No amount has been transferred to Reserve Account.

## HOLDING/SUBSIDIARY/ASSOCIATE :

The Company has no Holding, Subsidiary and Associate Company.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT :

On April 08, 2019, Company had issued 11,88,000 Convertible Warrants on Preferential Basis to Non-promoters of the Company amounting to Rs. 1,18,80,000 having face value of Rs. 10 along with premium of Rs.35. On first instance, more than 25% of the face value amount was called up. The Warrant will convert into Equity share of the Company upon payment of balance amount.

Subsequently, Out of 5 Warrants holders of the Company, 3 Warrant holders had exercised their right to convert their warrants into Equity Shares of the Company by paying balance amount of Warrants on May 29, 2019. The Board of Directors of your Company, at its Meeting held on June 10, 2019, had approved and allotted aggregating to 1,68,000 Equity Shares to Warrant Holders who had exercised their rights of Conversion and to the result Paid up Equity Capital of the Company was increased from Rs. 5,81,20,000 to Rs. 5,98,00,000.

Apart from this, there are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2019 to the date of this Report.

## OVERVIEW OF THE INDUSTRY AND IMPORTANT CHANGES IN THE INDUSTRY DURING THE LAST YEAR :

Forging is traditionally considered as the back bone of manufacturing industry. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering. The forging industries in India is reporting continues progress because availability of raw material like carbon steel, alloys steel, stainless steel, aluminium and others as per various requirement of the various industries.

The progress of the forging industries is notable but than also some issue is likely to hamper the overall growth in the long run including the rising steel prices and demand supply gap, high electricity tariff rates, rising fuel prices, government's thrust on electric vehicles and technology upgradation and modernisation.

Due to promotion of electric vehicle, the forging industries are facing some problem because more than 60 % of forging industries is engaged with automobile sector. However our company does not feel such pressure as felt by other forging industries. Our company is not reliable on only automobile sector but also work in area other than automobile also. The area like aero space engineering, infrastructure, marine development and general engineering is also have its part in turnover of the company.

## SHARE CAPITAL :

### Authorised Capital & Paid Up Capital :

During the year under review, there were no changes in Authorised Capital, Issued Capital, Subscribed Capital and Paid-up Capital of the Company.

However, On June 10, 2019, Paid up Capital of the Company was increased from to Rs. 5,81,20,000 to Rs. 5,98,00,000 due to conversion of warrants into Equity Shares of the Company. The details of warrants are given under the heading Material Changes and Commitments, If any, Affecting The Financial Position of The Company, Having Occured Since The End of The Year and Till The Date of The Report

Furthermore, during the year under review, the Company has not come up with any Right issue, Issue of Employee Stock Options, Issue of Sweat Equity Shares, Issue of Convertible Securities, Issue of Debentures, issue of Bonds etc.

Even more, no Bonus Shares were issued to any of existing Shareholders of the Company.

### ISSUE OF WARRANTS :

There was no issue of Convertible warrants during the financial year under review. However, after completion of Financial year, on April 08, 2019 Company had issued 11,88,000 Convertible warrants on Preferential basis to Non-promoters of the Company. Further details of issue of Convertible Warrants are as under:

|    |  |  |
|----|--|--|
| 1. | Date of allotment of warrants  | April 08, 2019   |
| 2  | Number of warrants   | 11,88,000  |
| 3  | Whether the issue of warrants was by way of preferential allotment, private placement, public issue            | The warrants were issued by way of preferential allotment to Non-Promoters of the Company  |
| 4  | Issue price  | Rs. 45<br>(Face value of Rs. 10 each and Premium of Rs. 35)  |
| 5  | Maturity date  | 09.10.2020 i.e. 18 months from the Date of Allotment   |
| 6  | Amount raised, specifically stating as to whether 25% of the consideration has been collected upfront from the | On first instance, Company has collected Rs. 1,78,28,000 from the warrants holders which is more than 25% of the amount of the issue.                |
| 7  | Terms and conditions of warrants including conversion terms.   | The warrants were issued with rights to convert into Equity Shares of the Company upon payment of remaining amount within 18 months from the date of |
| 8  | No. of warrants converted into Equity Shares of the Company till the date of this report                       | 1,68,000 Warrants were converted into 1,68,000 Equity Shares of the Company upon receipt of remaining amount from the respective warrant holders.    |

## CREDIT RATING :

Your Company being SME listed Company does not require to obtain credit rating for its securities.

## MANAGEMENT :

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company is being managed under the leadership of directors possessing vast knowledge in the sector of forging industry. On March 31, 2019, following directors and key managerial personnel were associated with the Company.

| Sr. No. | Name of persons            | Designation                                | Directors Identification Number (DIN) | Date of Appointment |
|---------|----------------------------|--|---------------------------------------|---------------------|
| 1.      | Mr. Hiteshkumar G. Thummar | Chairman & Managing Director               | 02112952                              | 25/03/2017          |
| 2.      | Mr. Ajay V. Sardhara       | Whole Time Director                        | 06386557                              | 15/09/2012          |
| 3.      | Mr. Bhavesh T. Barsiya     | Director                                   | 05332180                              | 17/08/2012          |
| 4.      | Mrs. Darshna H. Thummar    | Non Executive and Non Independent Director | 07869257                              | 31/07/2017          |
| 5.      | Mr. Ramesh M. Patel        | Independent Director                       | 02738359                              | 31/07/2017          |
| 6.      | Mr. Sachin P. Ravani       | Independent Director                       | 07874835                              | 31/07/2017          |
| 7.      | Mr. Atul L. Natu           | Chief Financial Officer                    | N.A.                                  | 10/06/2017          |

During the year under review, Ms. Banashri Joshi, Company Secretary had resigned from the post of Company Secretary and Compliance Officer of the Company and it was approved by the Board of Directors at its meeting dated October 11, 2018. Subsequently, CS Jalpa N. Doshi was appointed as a Company Secretary and Compliance Officer of the Company at Meeting of Board of Directors with effect from April 22, 2019.

Mr. Ajay V. Sardhara, Director [DIN: 06386557] is liable to retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association (AoA) of your Company and being eligible, has offered himself for re-appointment subject to approval of the Members in the ensuing AGM. The detailed information of the director being appointed is provided as an **Annexure I**. The Independent Directors of the Company are not liable to retire by rotation.

All the Directors of the Company have confirmed that they are not disqualified from being appointed in term of Section 164 of the Companies Act, 2013.

## DECLARATION BY INDEPENDENT DIRECTORS :

Your Company has received Declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under 149(6) of the Companies Act, 2013 read with Rules issued there under as well as Regulation 16(1)(b) of the Listing Regulations (including any statutory medication(s) or re-enactment(s) for the time being in force).

## MEETINGS OF BOARD OF DIRECTORS :

The Board of Directors of the Company met for 14 (Fourteen) times during the FY 2018-19 and requisite quorum was present in all the meetings; the details of which are as under:

| Sr. No. | Date of Meeting | Total No. of Directors as on the date of the Meeting | No. of Directors who attended Meeting |
|---------|-----------------|--|---------------------------------------|
| 1.      | 5-May-18        | 6  | 6                                     |
| 2.      | 17-May-18       | 6  | 6                                     |
| 3.      | 9-July-18       | 6  | 6                                     |
| 4.      | 3-Aug-18        | 6  | 6                                     |
| 5.      | 28-Aug-18       | 6  | 6                                     |
| 6.      | 30-Aug-18       | 6  | 5                                     |
| 7.      | 24-Sep-18       | 6  | 4                                     |
| 8.      | 11-Oct-18       | 6  | 6                                     |
| 9.      | 22-Oct-18       | 6  | 6                                     |
| 10.     | 30-Oct-18       | 6  | 6                                     |
| 11.     | 20-Dec-18       | 6  | 5                                     |
| 12.     | 21-Jan-19       | 6  | 4                                     |
| 13.     | 28-Jan-19       | 6  | 6                                     |
| 14.     | 11-Mar-19       | 6  | 4                                     |

## COMMITTEES OF BOARDS

The Board of Directors, in line with the provisions of the Act, has formed following Committees:

### a. Audit Committee

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013. Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting.

Recommendations of Audit Committee have been accepted by the Board wherever/whenever given.

### b. Nomination and Remuneration Committee

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee Meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal.

### c. Stakeholders' Relationship Committee

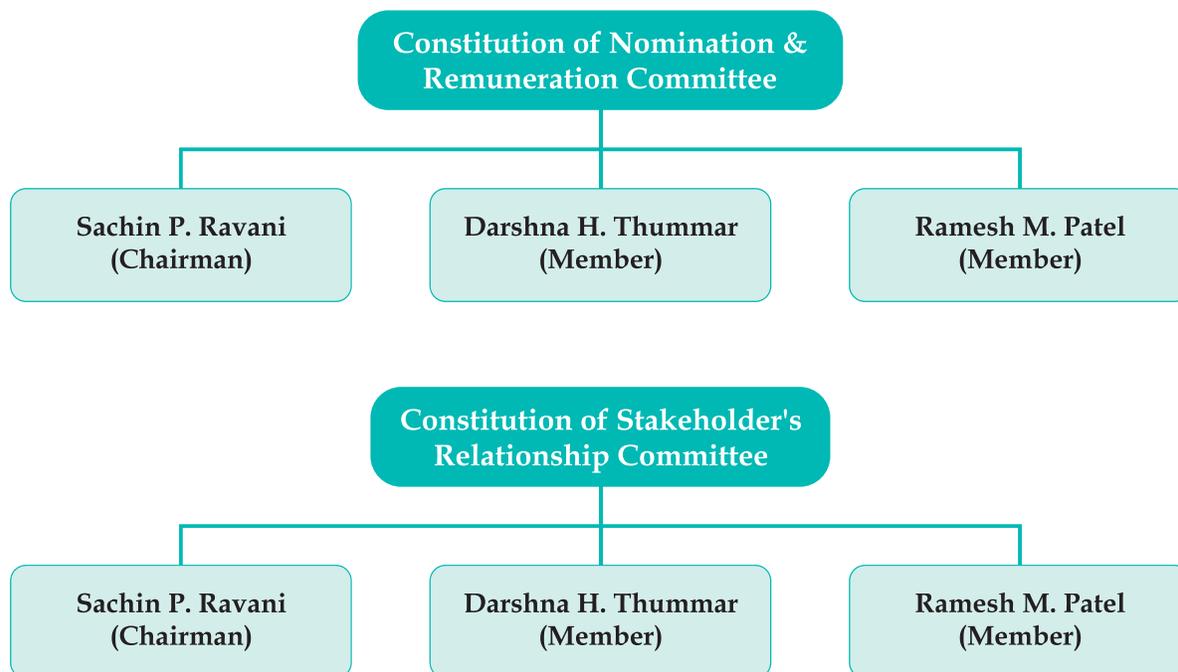
The Company has constituted Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

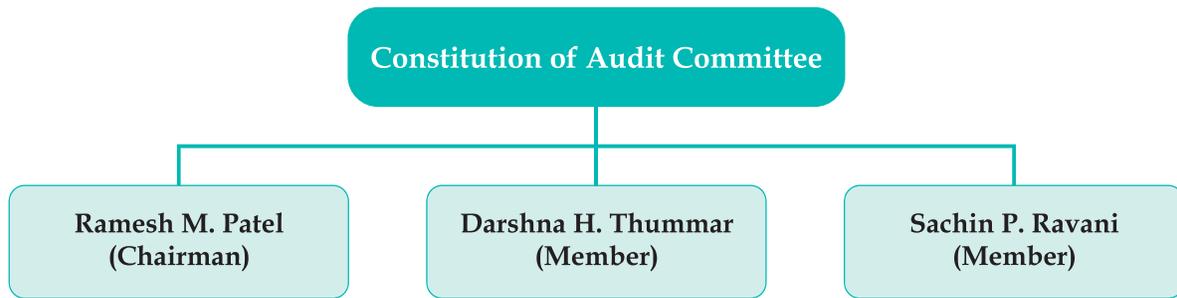
### d. Complaints Committee for Sexual Harassment Complaints Redressal

To foster a positive workplace environment, free from harassment of any nature, we have constituted a Complaints Committee for Sexual Harassment Complaints Redressal, through which we address complaints of sexual harassment at the all workplaces of the Company. The Complaints Committee is responsible for investigating every formal written complaint of sexual harassment, taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment and Discouraging & preventing employment - related sexual harassment. In conclusion, the Company reiterates its commitment of providing its employees, a workplace free from harassment / discrimination and where every employee is treated with dignity and respect.

During the year under review, there were no incidences of sexual harassment reported.

## CONSTITUTION OF COMMITTEES





## MEETINGS OF COMMITTEES

Meetings and Attendance Records of Audit Committee:

| Sr. No. | Date of Meeting | Total No. of Members as on the date of the Meeting | No. of Members who attended Meeting |
|---------|-----------------|--|-------------------------------------|
| 1.      | 17-May-18       | 3  | 3                                   |
| 2.      | 8-July-18       | 3  | 3                                   |
| 3.      | 2-Aug-18        | 3  | 3                                   |
| 4.      | 28-Aug-18       | 3  | 3                                   |
| 5.      | 30-Oct-18       | 3  | 3                                   |
| 6.      | 15-Jan-19       | 3  | 3                                   |
| 7.      | 26-Feb-19       | 3  | 3                                   |

## NUMBER OF MEETINGS OF BOARD COMMITTEES

Meetings and Attendance Records of Nomination & Remuneration Committee:

| Sr. No. | Date of Meeting | Total No. of Members of the Committee | No. of Directors who attended the Meeting |
|---------|-----------------|---------------------------------------|---|
| 1.      | 9 - July - 18   | 3                                     | 3   |
| 2.      | 11 - Mar -19    | 3                                     | 3   |

Meetings and Attendance Records of Stakeholders' Relationship Committee:

| Sr. No. | Date of Meeting | Total No. of Members of the Committee | No. of Directors who attended the Meeting |
|---------|-----------------|---------------------------------------|---|
| 1.      | 11 - Mar -19    | 3                                     | 3   |

Meetings and Attendance Records of Complaints Committee for Sexual Harassment Complaints Redressal:

| Sr. No. | Date of Meeting | Total No. of Members of the Committee | No. of Directors who attended the Meeting |
|---------|-----------------|---------------------------------------|---|
| 1.      | 20 - Dec -18    | 3                                     | 3   |

Meetings and Attendance Records of Independent Directors' Meeting:

| Sr. No. | Date of Meeting | Total No. of Members of the Committee | No. of Directors who attended the Meeting |
|---------|-----------------|---------------------------------------|---|
| 1.      | 22 - Oct -18    | 2                                     | 2   |

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Company has formulated Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 to assist in the matters relating to Appointment of Directors, payment of Managerial Remuneration, Director's Remuneration, their qualifications, positive attributes, independence of Directors, appointment and remuneration of Key Managerial personnel and other related matters. The salient features of the Policy are described below and the said policy is also placed on the website of the Company.

[http://www.tirupatiforge.com/file/Nomination%20and%20Remuneration%20Committee\\_tirupati.pdf](http://www.tirupatiforge.com/file/Nomination%20and%20Remuneration%20Committee_tirupati.pdf)

a) Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Personnel:

1. The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management personnel and recommend to the Board for his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
3. In case of appointment of Independent Director, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

**b) Policy on remuneration of Directors, KMP and Senior Management Personnel:**

The Company's remuneration policy is driven by the success and performance of Directors, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them with adequate compensation so that the compensation is used as a strategic tool that helps us to attract, retain and motivate highly talented individuals who are committed to the core value of the Company. The Company follows mixed pay of fixed, benefits and performance based variable pay. The Company pays remuneration by way of salary, benefits, perquisites and allowance. The remuneration and sitting fees paid by the Company are within the salary scale approved by the Board and Shareholders.

The details of remuneration paid during the financial year 2018-19 to the Directors of the Company is provided in notes forming part of Financial Statements which is the part of this Directors' Report.

**ANNUAL EVALUATION OF DIRECTORS, BOARD AND COMMITTEE PERFORMANCE**

In accordance with the Companies Act, 2013, Board has carried out an annual evaluation of its own performance, board committees and individual Directors. The evaluation of all the directors and the Board as a whole is being conducted based on the criteria and framework adopted by the Board. Brief details of steps taken for performance evaluation of Board, Directors and Committees are described as under:

The performance of the Board was evaluated by the Board, after seeking inputs from all the Directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of Independent Directors was held to evaluate the performance of non-independent Directors, performance of the board as a whole and performance of the Chairman, taking into account the views of Executive Directors and Non-Executive Director. The same was discussed in the Board Meeting that followed the meeting of the independent directors, at which the performance of the Board, its Committee and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the independent director being evaluated.

## REMUNERATION OF DIRECTORS AND EMPLOYEES :

Information pursuant to Section 134(3)(q) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2019 and forming part of the Directors' Report for the said financial year is provided in "Annexure -II"

## PARTICULARS OF EMPLOYEES :

The Company has no employee who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum and hence the Company is not required to give information under sub Rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. the going concern status and Company's operations in future.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed and there were no material departures;
- b. the Directors had 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, 2019 and of the profit of the Company for that period;
- 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. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has an Internal Control System including Internal Financial Controls, commensurate with the size, scale and complexity of its operations as approved by the Audit Committee and the Board. The Internal Financial Controls are adequate and working effectively. The scope and authority of the Internal Audit is laid down by the Audit Committee and accordingly the Internal Audit Plan is laid out to maintain its objectivity and independence, the Internal Auditors reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company. Based on the report of internal audit, process owners/concerned departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### FRAUDS REPORTED BY THE AUDITORS :

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

### PUBLIC DEPOSITS :

During the year under review, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The Company during the year under review, have not given loans or made investments or given guarantees or provided securities, directly or indirectly, to any person or body corporate pursuant to the provisions of Section 186 of Companies Act, 2013. Further, it has not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate and thus disclosures under Section 186 are not required to be made.

The Company has not advanced any loan to any of its Directors or any other person in whom the Director is interested or given any guarantee or provided any security in connection with any loan taken by him/her in terms of Section 185 of the Companies Act, 2013.

### PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

During the year under review, Company had entered into transaction with some related party. The details of the transaction are provided in attached **Annexure III**.

Moreover, The Related Party Transactions Policy as approved by the Board of Directors has been uploaded on the website of the Company at <http://www.tirupatiforge.com/file/related-party-policy.pdf>. Members are requested to refer to Note no. 33 & 34 to the financial statement which sets out related party disclosures for the year under review.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies (Amendment) Act, 2017, every Company having Net worth of Rs. 500 Crore or more OR Turnover of Rs. 1000 Crore or more OR Net Profit of Rs. 5 Crore or more during the immediately preceding financial year (F.Y. 2017-18) shall constitute of Corporate Social Responsibility (CSR). Tirupati Forge Limited does not fall under any criteria as mentioned above and hence provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are as stated below:

### A. Conservation of Energy-

#### 1. The steps taken or impact on conservation of energy:

The Company applies strict control system to monitor day to day power consumption in an effort to save energy. The Company ensures optimal use of energy with minimum extent of wastage as far as possible.

#### 2. The steps taken by the Company for utilizing alternate source of energy:

The Company has not taken any step for utilizing alternate source of energy.

#### 3. Capital Investment on energy conservation equipment:

During the year under review, the Company has not made any capital investment on energy conservation equipment

### B. Technology Absorption-

#### 1. The efforts made towards technology absorption;

The Company has not made any special effort towards technology absorption. However company always prepared for update its factory for new technology.

#### 2. The benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable

#### 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not applicable

#### 4. The details of technology imported: Not applicable

#### 5. The year of import : Not Applicable

#### 6. Whether the technology been fully absorbed: Not applicable

#### 7. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable

#### 8. The expenditure incurred on Research and Development- Not applicable

### C. Foreign exchange earnings and Outgo-

#### 1. Activities relating to export:

The Company is engaged in exporting its forging product to various countries like USA, Canada, Malaysia, Morocco, Brazil etc.,

#### 2. Initiative taken to increase exports: The Company is making continue effort for increase its exports.

#### 3. Development of new export market for product & services: NA

#### 4. Export Plan: To explore new business opportunities and special attention to expand our business.

| Particulars                        | F.Y. 2018-19 | F.Y. 2017-18 |
|------------------------------------|--------------|--------------|
| Foreign Exchange Earnings (in Rs.) | 20,21,29,360 | 7,21,27,297  |
| Foreign Exchange Outgo (in Rs.)    | 19,74,995    | 4,13,801     |

## RISK MANAGEMENT

Risk management is the process of systematically identifying, quantifying, mitigating and managing all risks and opportunities that can affect achievement of corporation's strategic and financial goals and a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Risk Management Policy has been placed on the website of the Company at <http://www.tirupatiforge.com/policies>.

## DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and employees pursuant to which an Audit Committee of the Company has been authorized/identified for addressing complaints received from Directors and employees concerning unethical behavior, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy of the Company is available on the website of the Company at <http://www.tirupatiforge.com/file/whistle-blower-policy>.

## MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as "Annexure IV" and forms an Integral part of the Report.

This will be also available on Company's website at <http://www.tirupatiforge.com/financials>.

## AUDITORS :

### STATUTORY AUDITORS

**Maharishi & Co., Chartered Accountants, [ICAI Firm Registration No. 124872W]** were appointed as Statutory Auditors of the Company for the F.Y. 2018-19, by the members in the last Annual General Meeting of the Company held on September 14, 2018 to hold office from the conclusion of Sixth Annual General Meeting till the conclusion of 7th AGM to be held for the financial year ending on March 31, 2019 as per the provisions of Section 139 of the Companies Act, 2013.

Further, Board of Directors at the Meeting, based on recommendation of Audit Committee, has recommended the appointment of **Maharishi & Co., Chartered Accountants [ICAI Firm Registration No. 124872W]** as Statutory Auditors of the Company for the period of 3 years from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2022, at such remuneration as may be recommended by the Audit Committee and decided by the Board of Directors of the Company.

**Maharishi & Co., Chartered Accountants [ICAI Firm Registration No. 124872W]** have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as Statutory Auditors, in terms of section 143 of the Act. Members are requested to approve appointment of the proposed Statutory Auditors from the conclusion of ensuing AGM until the AGM to be held in the year 2022, Necessary resolution to consider above re-appointment is included in the Notice of the 7th Annual General Meeting.

### **SECRETARIAL AUDIT**

In terms of provisions of Section 204 of the Companies Act, 2013 read with Rules made thereunder, the Company has appointed **CS Piyush Jethva [ICSI Membership No.: F6377]** to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is attached to this Report as "**Annexure V**".

Further, Secretarial auditor has observed that previous company secretary was resigned on 11<sup>th</sup> October 2018. As per section 203(4) the vacancy of Key Managerial Personnel was filled-up by Six months from the resignation of Key Managerial Personnel. However the company has not appointed the Company Secretary up to the date of 10<sup>th</sup> April 2019 (Six Month from Vacancy of Previous Company secretary) and appointed on 22<sup>nd</sup> April 2019. The Board would like to clarify that since the resignation of previous company Secretary, Company tried to appoint new company secretary. Even Company took part in campus interview held by Rajkot Chapter of WIRC of ICSI. Company managed to appoint company secretary on 22<sup>nd</sup> April 2019 which is late by few days only.

### **COST AUDIT**

Pursuant to provisions of Section 148 of Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to the Company.

### **SECRETARIAL STANDARDS:**

The Company is complying with all applicable secretarial standards as issued by the Institute of Company Secretaries of India.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis The Management Discussion and Analysis Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 is presented in a separate section forming part of this Annual Report.

## CORPORATE GOVERNANCE :

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited (NSE EMERGE) and therefore pursuant to Regulation 15(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Part C of Schedule V relating to compliance of Corporate Governance shall not apply to the Company.

Therefore, the Company need not to give report on compliance of Corporate Governance as specified in Part E of Schedule II pursuant to Regulation 27(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and submitting Compliance Report on Corporate Governance on quarterly basis pursuant to Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## GENERAL DISCLOSURES

1. The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
2. There is no revision in the Board Report or Financial Statement.

## APPRECIATION AND ACKNOWLEDGEMENTS :

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

**By and on behalf**  
**TIRUPATI FORGE LIMITED**

**Sd/-**  
**Hiteshkumar G. Thummar**  
**Chairman & Managing Director**  
**[DIN: 02112952]**

Hadamtala (Rajkot)  
August 20, 2019

**Information on Director recommended for appointment/reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

| Sr. No. | Particulars   | Information  |
|---------|---|--|
| 01      | Name of Director  | Ajay Vithalbhai Sardhara   |
| 02      | Director Identification Number                          | 06386557   |
| 03      | Brief Resume of Director                                | Mr. Ajay Sardhara, son of Mr. Vithalbhai Sardhara, 36 years old, resident of 1/3, Bhakti Nagar Society, KhodiyarNiwas, Opp. Hemani Hospital Street, Rajkot 360002, Gujarat, India.is Director of Company since September 15, 2012. He has an experience of about more than 12 years in forging Industry. |
| 04      | Nature of his expertise in specific functional areas    | He currently heads the work of Compliance, Taxation and Legal Issue of Company to ensure proper Compliance with  |
| 05      | Disclosure of relationships between Directors inter-se  | Nil  |
| 06      | Names of listed entities in which the person also holds | Nil  |
| 07      | The membership of Committees of the board               | The Director is member of the following Committee:<br>1. Committee for Sexual Harassment Complaints Redressal  |
| 08      | Disclosure of Disqualification                          | He is not disqualified from being appointed as a Director  |
| 09.     | No. of Shares held in the Company                       | 38,400 Equity Shares   |

**DISCLOSURES PERTAINING TO REMUNERATION**

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)

- Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary:

| Sr. No. | Name of Person  | Designation                              | Ratio to median remuneration of the employees | % increase in remuneration |
|---------|---|--|---|----------------------------|
| 01      | Mr. Hitesh Thummar  | Managing Director                        | 14.94:1                                       | 66.67%                     |
| 02      | Mr. Ajay Sardhara   | Whole Time Director                      | 2.99:1  | ---                        |
| 03      | Mr. Bhavesh Barasiya  | Director                                 | 5.98:1  | 100%                       |
| 04      | Ms. Banashri Joshi<br>(She has resigned from the company with effect from October 11, 2018) | Company Secretary and Compliance Officer | 0.86:1  | ---                        |
| 05      | Mr. Atul Natu   | Chief Financial Officer                  | 5.30:1  | 46.81%                     |

## Notes:

- o Calculation of Median employee was based on actual salary paid to all employees. The Employees who left company in between financial year and the employees joined company in between financial year is actually considered.
  - o Ratio of Ms. Banashri Joshi - Company Secretary (Who has resigned in month of October, 2018) is taken on basis of actual payment made to her
  - o The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions however no sitting fees is paid to them for the financial year 2018-19
  - o Non-Executive Directors do not receive any sitting fees or commissions.
- The percentage increase in the median remuneration of employees in the financial year:  
During the year under review, there were many persons were employed in the company which has effected the average remuneration being paid to employees by the company. Hence, it does not show increase in the median remuneration of the employees
  - The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2019:  
57 (Fifty Seven)
  - Average Percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:  
There was average 55.55 % increase in the managerial remuneration in compare to average 56% increase in total remuneration paid by the Company to its employees.
  - Affirmation that the remuneration is as per Remuneration Policy of the Company:  
It is hereby affirmed that the remuneration paid to the Directors and employees is as per the Remuneration Policy of the Company.

**By and on behalf**  
**TIRUPATI FORGE LIMITED**  
**Sd/-**  
**Hiteshkumar G. Thummar**  
**Chairman & Managing Director**  
**[DIN: 02112952]**

Hadamtala (Rajkot)  
 August 20, 2019

**Form No. AOC-2 of Tirupati Forge Limited  
for the year ended on March 31, 2018**

[Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act- 2013, and Rule 8 (2) of the Companies (Accounts) Rules, 2014- AOC-2]

**1) DETAILS OF CONTRACTS / ARRANGEMENTS / TRANSACTIONS NOT AT ARM'S LENGTH BASIS.**

- There were no contracts / arrangements / transactions entered into during the year ended March 31, 2019 which were not at arm's length basis.

**2) DETAILS OF CONTRACTS/ARRANGEMENTS/TRANSACTIONS AT ARM'S LENGTH BASIS.**

| Name of Related Party           | Nature of Relationship | Duration of Contract | Nature of Transaction | Amount                    | Approval by Board |
|---------------------------------|------------------------|----------------------|-----------------------|---------------------------|-------------------|
| Mr. Chunilal Muljibhai Sardhara | Relative of Director   | 15 Years*            | Lease Rent            | Rs. 60,000/ - per annum   | March 21, 2013    |
| Mr. Hitesh Thummar              | Manging Director       | 15 Years             | Lease Rent            | Not More than Rs. 25000** | March 21, 2013    |
| Mr. Chunilal Muljibhai Sardhara | Relative of Director   | One time Transaction | Purchase of Land      | 22,11,000/-               | August 28, 2018   |

\*The Company had entered into contract with Mr. Chunilal Muljibhai Sardhara for taking the land on lease for business purpose for the period of 15 Years. However, the contract was cancelled on August 03, 2018 and till the date of cancellation of Contract, Company had paid Rs. 25,000/- only towards the lease rent.

\*\*On July 09, 2018, Board had consented to pay rent of Rs. 25,000 to Mr. Hitesh Thummar. However as a manner good cause and in the benefit of the Company, Mr. Hitesh Thummar had not accepted any amount from the Company towards the rent for land provided by him.

**By and on behalf**

**TIRUPATI FORGE LIMITED**

Sd/-

**Hiteshkumar G. Thummar**

**Chairman & Managing Director**

**[DIN: 02112952]**

Hadamtala (Rajkot)

August 20, 2019

To  
The Members  
**TIRUPATI FORGE LIMITED**

**Subject : Justification for Related Party Transactions held during the Financial Year 2018-19**

**1. For Taking Property on Lease and purchase the same**

The Reporting Person is relative of Director. The Company has taken the premises on lease of only on token amount of Rs. 5,000/- per month for 15 years. The Contract is on at arm's length. The approval of Board was granted on March 21, 2013 to the Lease agreement. Further the same property was purchased by the company. The transaction is on arm's length basis. The Board has approved the transaction on 28th August 2018.

Further the Company has entered in the contract with Mr. Hitesh Thummar to take his land on lease. The transaction was approved by the Board of Director on 9th July 2018 as well as by Share Holder in its Annual General Meeting held for year ended on 31st March 2018. This transaction is also on arm's length basis.

The disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transaction under third proviso thereto are mentioned in AOC-2.

Further there is no adverse effect on interest of any members, financial institution, creditors or society at large because of this transaction.

By and on behalf  
TIRUPATI FORGE LIMITED

Sd/-  
Hiteshkumar G. Thummar  
Chairman & Managing Director  
[DIN: 02112952]

Date: August 20, 2019  
Place: Hadamtala (Rajkot)

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN ANNEXURE-IV

As on the financial year ended on 31st March, 2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

| SR. NO. | PARTICULARS   | INFORMATION   |
|---------|---|---|
| I       | Corporate Identification Number   | L27320GJ2012PLC071594   |
| II      | Registration Date   | 17.08.2012  |
| III     | Name of the Company   | TIRUPATI FORGE LIMITED  |
| IV      | Category / Sub-Category of the Company                                    | Company Limited by Shares<br>Indian Non-Government Company  |
| V       | Address of the Registered office and contact details                      | Plot No.1-5, Survey No.92/1, Near Shan Cement,<br>Hadamtala industrial Area, N.H. 27, Tal: Kotda Sangani,<br>Hadamtala-360311 Rajkot<br>Contact Number : 02827-270512<br>EMAIL : info@tirupatiforge.com<br>WEB: www.tirupatiforge.com |
| VI      | Whether listed company  | Yes (Listed on NSE Emerge)  |
| VII     | Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>Link Intime India Private Limited</b><br>C-101, 247 Park, L.B.S. Marg, Vikhroli (West)<br>MUMBAI - 400 083<br>Phone: 022-49186200<br>Email: tirupatiforge.ipo@linkintime.co.in   |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC / HSN Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------------|------------------------------------|
| 1       | Forging  | 2591                                  | 100%                               |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Company does not have any holding, Subsidiary and Associate Companies.

| Sr.No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | Holding/ Subsidiary/ Associates | % of the Shares Held | Applicable Section. |
|--------|---------------------------------|---------|---------------------------------|----------------------|---------------------|
| 1      |                                 | N.A.    |                                 |                      |                     |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Sr No | Category of Shareholders                                     | Shareholding at the beginning of the year - 2018 |          |         |                   | Shareholding at the end of the year - 2019 |          |         |                   | % Change during the year |
|-------|--|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
|       |  | Demat  | Physical | Total   | % of Total Shares | Demat                                      | Physical | Total   | % of Total Shares |                          |
| (A)   | Shareholding of Promoter and Promoter Group                  |  |          |         |                   |  |          |         |                   |                          |
| [1]   | Indian   |  |          |         |                   |  |          |         |                   |                          |
| (a)   | Individuals / Hindu Undivided Family                         | 3960800  | 0        | 3960800 | 68.15             | 4024800                                    | 0        | 4024800 | 69.2498           | 1.1011                   |
| (b)   | Central Government / State Government(s)                     | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |
| (c)   | Financial Institutions / Banks                               | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |
| (d)   | Any Other (Specify)  |  |          |         |                   |  |          |         |                   |                          |
|       | Sub Total (A)(1)   | 3960800  | 0        | 3960800 | 68.15             | 4024800                                    | 0        | 4024800 | 69.2498           | 1.1011                   |
| [2]   | Foreign  |  |          |         |                   |  |          |         |                   |                          |
|       | Individuals (Non-Resident Individuals / Foreign Individuals) | 0  | 0        | 0       | 0.0000            | 0  | 0        | 0       | 0                 | 0                        |
| (a)   | Government   | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |
| (b)   | Institutions   | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |
| (c)   | Foreign Portfolio Investor                                   | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |
| (d)   | Any Other (Specify)  |  |          |         |                   |  |          |         |                   |                          |
| (e)   | Sub Total (A)(2)   | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0                 | 0                        |

|     |  |         |   |         |       |         |   |         |         |        |
|-----|--|---------|---|---------|-------|---------|---|---------|---------|--------|
|     |  | 3960800 | 0 | 3960800 | 68.15 | 4024800 | 0 | 4024800 | 69.2498 | 1.1011 |
|     | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) |         |   |         |       |         |   |         |         |        |
| (B) | Public Shareholding  |         |   |         |       |         |   |         |         |        |
| [1] | Institutions   |         |   |         |       |         |   |         |         |        |
| (a) | Mutual Funds / UTI   | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (b) | Venture Capital Funds  | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (c) | Funds  | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (d) | Foreign Venture Capital Investors                                  | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (e) | Foreign Portfolio Investor   | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (f) | Financial Institutions / Banks                                     | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (g) | Insurance Companies  | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (h) | Provident Funds/ Pension Funds                                     | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| (i) | Any Other (Specify)  |         |   |         |       |         |   |         |         |        |
|     | Sub Total (B)(1)   | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| [2] | Central Government/ State Government(s)/ President of India        |         |   |         |       |         |   |         |         |        |
|     | Sub Total (B)(2)   | 0       | 0 | 0       | 0.00  | 0       | 0 | 0       | 0       | 0      |
| [3] | Non-Institutions   |         |   |         |       |         |   |         |         |        |
| (a) | Individuals  |         |   |         |       |         |   |         |         |        |

|      |   |         |   |         |          |         |   |         |   |         |         |         |
|------|---|---------|---|---------|----------|---------|---|---------|---|---------|---------|---------|
| (i)  | Individual shareholders holding nominal share capital upto Rs. 1 lakh.              | 232800  | 0 | 232800  | 4.01     | 248800  | 0 | 248800  | 0 | 248800  | 4.2808  | 0.2753  |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh       | 1074400 | 0 | 1074400 | 18.49    | 1004000 | 0 | 1004000 | 0 | 1004000 | 17.2746 | -1.2113 |
| (b)  | NBFCs registered with RBI   | 0       | 0 | 0       | 0.00     | 0       | 0 | 0       | 0 | 0       | 0       | 0       |
| (d)  | Overseas Depositories (holding DRs) (balancing figure)                              | 0       | 0 | 0       | 0.00     | 0       | 0 | 0       | 0 | 0       | 0       | 0       |
| (e)  | Any Other (Specify)   |         |   |         |          |         |   |         |   |         |         |         |
|      | Hindu Undivided   | 80000   | 0 | 80000   | 1.38     | 78000   | 0 | 78000   | 0 | 78000   | 1.3421  | -0.0344 |
|      | Non Resident Indians  | 4000    | 0 | 4000    | 0.07     | 4000    | 0 | 4000    | 0 | 4000    | 0.0688  | 0       |
|      | Clearing Member   | 114000  | 0 | 114000  | 1.96     | 96400   | 0 | 96400   | 0 | 96400   | 1.6586  | -0.3029 |
|      | Bodies Corporate  | 346000  | 0 | 346000  | 5.95     | 356000  | 0 | 356000  | 0 | 356000  | 6.1253  | 0.1721  |
|      | Sub Total (B)(3)  | 1851200 | 0 | 1851200 | 31.85    | 1787200 | 0 | 1787200 | 0 | 1787200 | 30.7502 | -1.1011 |
|      | Total Public  |         |   |         |          |         |   |         |   |         |         |         |
|      | Shareholding(B)=(B)(1)+(B)(2)+(B)(3)  | 1851200 | 0 | 1851200 | 31.85    | 1787200 | 0 | 1787200 | 0 | 1787200 | 30.7502 | -1.1011 |
|      | Total (A)+(B)   | 5812000 | 0 | 5812000 | 100.00   | 5812000 | 0 | 5812000 | 0 | 5812000 | 100     | 0       |
| (C)  | Non Promoter - Non Public   |         |   |         |          |         |   |         |   |         |         |         |
| [1]  | Custodian/DR Holder   | 0       | 0 | 0       | 0.00     | 0       | 0 | 0       | 0 | 0       | 0       | 0       |
| [2]  | Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014) | 0       | 0 | 0       | 0.00     | 0       | 0 | 0       | 0 | 0       | 0       | 0       |
|      | Total (A)+(B)+(C)   | 5812000 | 0 | 5812000 | 100.0000 | 5812000 | 0 | 5812000 | 0 | 5812000 | 100     | 0       |

ii) Shareholding of Promoters

| Sr No | Shareholders Name                      | Shareholding at the beginning of the year - 2018 |                                  |   | Shareholding at the end of the year - 2019 |                                  |   | % of Shares Pledged/ Encumbered to total shares | Total Number Of Shares Change During the Year | % of shareholding Change During the Year |
|-------|--|--|----------------------------------|---|--|----------------------------------|---|---|---|--|
|       |  | NO.OF SHARES HELD                                | % of total Shares of the company | %of Shares Pledged /encumbered total shares | NO.OF SHARES HELD                          | % of total Shares of the company | %of Shares Pledged/ encumbered total shares |   |   |  |
| 1     | BHARGAVI<br>MANOJBHAI<br>THUMAR        | 1104200  | 18.9986                          | 0   | 1130200                                    | 19.446                           | 0   | 26,000  | 0.45%   |  |
| 2     | CHETNA<br>MUKESHBHAI<br>THUMAR         | 1103200  | 18.9814                          | 0   | 1115200                                    | 19.1879                          | 0   | 12,000  | 0.21%   |  |
| 3     | HITESHKUMAR<br>GORDHANBHAI<br>THUMIMAR | 739000   | 12.7151                          | 0   | 765000                                     | 13.1624                          | 0   | 26,000  | 0.45%   |  |
| 4     | JAYABEN SHIVLAL<br>THUMAR              | 373500   | 6.4264                           | 0   | 373500                                     | 6.4264                           | 0   | 0   | 0.00%   |  |
| 5     | OTAMBEN<br>KHODABHAI THUMAR            | 372500   | 6.4092                           | 0   | 372500                                     | 6.4092                           | 0   | 0   | 0.00%   |  |
| 6     | DARSHNA<br>HITESHBHAI<br>THUMIMAR      | 184600   | 3.1762                           | 0   | 184600                                     | 3.1762                           | 0   | 0   | 0.00%   |  |
| 7     | VISHAL RAMJIBHAI<br>SORTHIYA           | 45400  | 0.7811                           | 0   | 45400                                      | 0.7811                           | 0   | 0   | 0.00%   |  |
| 8     | AJAY VITHALBHAI<br>SARDHARA            | 38400  | 0.6607                           | 0   | 38400                                      | 0.6607                           | 0   | 0   | 0.00%   |  |
|       | Total                                  | 3960800  | 68.1487                          | 0   | 4024800                                    | 69.2498                          | 0   | 64,000  | 1.10%   |  |

iii) Change in Promoters' Shareholding ( please specify, if there is no change)

| Sr No. | Name & Type of Transaction  | Shareholding at the beginning of |                                  | Transactions during the year |               | Cumulative Shareholding at the end of |                                  |
|--------|---|----------------------------------|----------------------------------|------------------------------|---------------|---------------------------------------|----------------------------------|
|        |   | NO.OF SHARES HELD                | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION          | NO. OF SHARES | NO OF SHARES HELD                     | % OF TOTAL SHARES OF THE COMPANY |
| 1      | BHARGAVI MANOJBHAI THUMMAR<br>Transfer<br>AT THE END OF THE YEAR      | 1104200                          | 18.9986                          | 07 Dec 2018                  | 26000         | 1130200                               | 19.4460                          |
| 2      | CHETNA MUKESHBHAI THUMMAR<br>Transfer<br>AT THE END OF THE YEAR       | 1103200                          | 18.9814                          | 07 Dec 2018                  | 12000         | 1115200                               | 19.1879                          |
| 3      | HITESHKUMAR GORDHANBHAI THUMMAR<br>Transfer<br>AT THE END OF THE YEAR | 739000                           | 12.7151                          | 16 Nov 2018                  | 26000         | 765000                                | 13.1624                          |
| 4      | JAYABEN SHIVLAL THUMMAR<br>AT THE END OF THE YEAR                     | 373500                           | 6.4264                           |                              |               | 765000                                | 13.1624                          |
| 5      | OTAMBEN KHODABHAI THUMMAR<br>AT THE END OF THE YEAR                   | 372500                           | 6.4092                           |                              |               | 373500                                | 6.4264                           |
| 6      | DARSHNA HITESHBHAI THUMMAR<br>AT THE END OF THE YEAR                  | 184600                           | 3.1762                           |                              |               | 372500                                | 6.4092                           |
| 7      | VISHAL RAMJIBHAI SORTHIA<br>AT THE END OF THE YEAR                    | 45400                            | 0.7811                           |                              |               | 184600                                | 3.1762                           |
| 8      | AJAY VITHALBHAI SARDHARA<br>AT THE END OF THE YEAR                    | 38400                            | 0.6607                           |                              |               | 45400                                 | 0.7811                           |
|        |   |                                  |                                  |                              |               | 38400                                 | 0.6607                           |
|        |   |                                  |                                  |                              |               | 38400                                 | 0.6607                           |

IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr No.   | Name & Type of Transaction   | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|----------|------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|          |                              | NO.OF SHARES HELD                                | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION          | NO. OF SHARES | NO OF SHARES HELD                                     | % OF TOTAL SHARES OF THE COMPANY |
| 1        |                              | <b>DIPESH PRAVINBHAI RUPARELIA</b>               |                                  |                              |               |   |                                  |
|          | At the Beginning of the year | 252000   | 4.3359                           |                              |               | 252000  | 4.3359                           |
|          | Transfer                     |  |                                  | 19 Oct 2018                  | 36000         | 288000  | 4.9553                           |
|          | AT THE END OF THE YEAR       |  |                                  |                              |               | 288000  | 4.9553                           |
| 2        |                              | <b>OMSHANTI HEIGHTS PRIVATE LIMITED</b>          |                                  |                              |               |   |                                  |
|          | At the Beginning of the year | 270000   | 4.6456                           |                              |               | 270000  | 4.6456                           |
|          | AT THE END OF THE YEAR       |  |                                  |                              |               | 270000  | 4.6456                           |
| 3        |                              | <b>VRUTI V SORATHIA</b>                          |                                  |                              |               |   |                                  |
|          | At the Beginning of the year | 208000   | 3.5788                           |                              |               | 208000  | 3.5788                           |
|          | AT THE END OF THE YEAR       |  |                                  |                              |               | 208000  | 3.5788                           |
| 4        |                              | <b>ARCADIA SHARE &amp; STOCK BROKERS PVT LTD</b> |                                  |                              |               |   |                                  |
|          | At the Beginning of the year | 90000  | 1.5485                           |                              |               | 90000   | 1.5485                           |
|          | Transfer                     |  |                                  | 11 May 2018                  | 2000          | 92000   | 1.5829                           |
|          | Transfer                     |  |                                  | 18 May 2018                  | (10000)       | 82000   | 1.4109                           |
|          | Transfer                     |  |                                  | 01 Jun 2018                  | 2000          | 84000   | 1.4453                           |
|          | Transfer                     |  |                                  | 08 Jun 2018                  | (2000)        | 82000   | 1.4109                           |
|          | Transfer                     |  |                                  | 22 Jun 2018                  | 26000         | 108000  | 1.8582                           |
|          | Transfer                     |  |                                  | 30 Jun 2018                  | 20000         | 128000  | 2.2023                           |
|          | Transfer                     |  |                                  | 31 Aug 2018                  | 42000         | 170000  | 2.9250                           |
|          | Transfer                     |  |                                  | 29 Sep 2018                  | 12000         | 182000  | 3.1315                           |
|          | Transfer                     |  |                                  | 05 Oct 2018                  | 12000         | 194000  | 3.3379                           |
|          | Transfer                     |  |                                  | 19 Oct 2018                  | 16000         | 210000  | 3.6132                           |
|          | Transfer                     |  |                                  | 16 Nov 2018                  | (26000)       | 184000  | 3.1659                           |
|          | Transfer                     |  |                                  | 07 Dec 2018                  | (73600)       | 110400  | 1.8995                           |
| Transfer |                              |  | 28 Dec 2018                      | 36000                        | 146400        | 2.5189  |                                  |
| Transfer |                              |  | 01 Feb 2019                      | (58000)                      | 88400         | 1.5210  |                                  |
|          | AT THE END OF THE YEAR       |  |                                  |                              |               | 88400   | 1.5210                           |

| VISHWA JAVANTILAL VARSANI |   |       |        |             |             |         |        |        |        |
|---------------------------|---|-------|--------|-------------|-------------|---------|--------|--------|--------|
| 5                         | At the Beginning of the year            | 76000 | 1.3076 |             |             |         |        | 76000  | 1.3076 |
|                           | AT THE END OF THE YEAR                  |       |        |             |             |         |        | 76000  | 1.3076 |
| 6                         | PANTOMATH STOCK BROKERS PRIVATE LIMITED |       |        |             |             |         |        |        |        |
|                           | At the Beginning of the year            | 80000 | 1.3765 |             |             |         |        | 80000  | 1.3765 |
|                           | Transfer                                |       |        |             | 06 Apr 2018 | 12000   |        | 92000  | 1.5829 |
|                           | Transfer                                |       |        |             | 13 Apr 2018 | 8000    |        | 100000 | 1.7206 |
|                           | Transfer                                |       |        |             | 20 Apr 2018 | 4000    |        | 104000 | 1.7894 |
|                           | Transfer                                |       |        |             | 27 Apr 2018 | 8000    |        | 112000 | 1.9270 |
|                           | Transfer                                |       |        |             | 04 May 2018 | 4000    |        | 116000 | 1.9959 |
|                           | Transfer                                |       |        |             | 11 May 2018 | 16000   |        | 132000 | 2.2712 |
|                           | Transfer                                |       |        |             | 18 May 2018 | 10000   |        | 142000 | 2.4432 |
|                           | Transfer                                |       |        |             | 25 May 2018 | 8000    |        | 150000 | 2.5809 |
|                           | Transfer                                |       |        |             | 01 Jun 2018 | 4000    |        | 154000 | 2.6497 |
|                           | Transfer                                |       |        |             | 08 Jun 2018 | 4000    |        | 158000 | 2.7185 |
|                           | Transfer                                |       |        |             | 15 Jun 2018 | 2000    |        | 160000 | 2.7529 |
|                           | Transfer                                |       |        |             | 22 Jun 2018 | (28000) |        | 132000 | 2.2712 |
|                           | Transfer                                |       |        |             | 30 Jun 2018 | (26000) |        | 106000 | 1.8238 |
|                           | Transfer                                |       |        |             | 06 Jul 2018 | 20000   |        | 126000 | 2.1679 |
|                           | Transfer                                |       |        |             | 13 Jul 2018 | 12000   |        | 138000 | 2.3744 |
|                           | Transfer                                |       |        |             | 20 Jul 2018 | (8000)  |        | 130000 | 2.2368 |
|                           | Transfer                                |       |        |             | 27 Jul 2018 | 8000    |        | 138000 | 2.3744 |
|                           | Transfer                                |       |        |             | 03 Aug 2018 | 8000    |        | 146000 | 2.5120 |
| Transfer                  |   |       |        | 10 Aug 2018 | 4000        |         | 150000 | 2.5809 |        |
| Transfer                  |   |       |        | 24 Aug 2018 | (8000)      |         | 142000 | 2.4432 |        |
| Transfer                  |   |       |        | 31 Aug 2018 | 4000        |         | 146000 | 2.5120 |        |
| Transfer                  |   |       |        | 14 Sep 2018 | (4000)      |         | 142000 | 2.4432 |        |
| Transfer                  |   |       |        | 21 Sep 2018 | 12000       |         | 154000 | 2.6497 |        |
| Transfer                  |   |       |        | 29 Sep 2018 | (38000)     |         | 116000 | 1.9959 |        |
| Transfer                  |   |       |        | 05 Oct 2018 | 42000       |         | 158000 | 2.7185 |        |
| Transfer                  |   |       |        | 12 Oct 2018 | 4000        |         | 162000 | 2.7873 |        |
| Transfer                  |   |       |        | 19 Oct 2018 | (4000)      |         | 158000 | 2.7185 |        |

|   |                              |       |        |             |         |        |        |
|---|------------------------------|-------|--------|-------------|---------|--------|--------|
|   | Transfer                     |       |        | 26 Oct 2018 | 10000   | 168000 | 2.8906 |
|   | Transfer                     |       |        | 09 Nov 2018 | (4000)  | 164000 | 2.8217 |
|   | Transfer                     |       |        | 16 Nov 2018 | 8000    | 172000 | 2.9594 |
|   | Transfer                     |       |        | 23 Nov 2018 | (2000)  | 170000 | 2.9250 |
|   | Transfer                     |       |        | 30 Nov 2018 | (4000)  | 166000 | 2.8562 |
|   | Transfer                     |       |        | 21 Dec 2018 | (2000)  | 164000 | 2.8217 |
|   | Transfer                     |       |        | 31 Dec 2018 | (37400) | 126600 | 2.1783 |
|   | Transfer                     |       |        | 04 Jan 2019 | 6000    | 132600 | 2.2815 |
|   | Transfer                     |       |        | 11 Jan 2019 | 5400    | 138000 | 2.3744 |
|   | Transfer                     |       |        | 18 Jan 2019 | (2000)  | 136000 | 2.3400 |
|   | Transfer                     |       |        | 25 Jan 2019 | 6000    | 142000 | 2.4432 |
|   | Transfer                     |       |        | 01 Feb 2019 | (2000)  | 140000 | 2.4088 |
|   | Transfer                     |       |        | 22 Feb 2019 | 2000    | 142000 | 2.4432 |
|   | Transfer                     |       |        | 01 Mar 2019 | 6000    | 148000 | 2.5465 |
|   | Transfer                     |       |        | 08 Mar 2019 | 4000    | 152000 | 2.6153 |
|   | Transfer                     |       |        | 15 Mar 2019 | 4000    | 156000 | 2.6841 |
|   | Transfer                     |       |        | 22 Mar 2019 | 4000    | 160000 | 2.7529 |
|   | Transfer                     |       |        | 30 Mar 2019 | (88000) | 72000  | 1.2388 |
|   | AT THE END OF THE YEAR       |       |        |             |         | 72000  | 1.2388 |
| 7 | <b>SONAL G DHOLARIYA</b>     |       |        |             |         |        |        |
|   | At the Beginning of the year | 0     | 0.0000 |             |         | 0      | 0.0000 |
|   | Transfer                     |       |        | 01 Feb 2019 | 58000   | 58000  | 0.9979 |
|   | AT THE END OF THE YEAR       |       |        |             |         | 58000  | 0.9979 |
| 8 | <b>HARDIK NITINBHAI ERDA</b> |       |        |             |         |        |        |
|   | At the Beginning of the year | 48000 | 0.8259 |             |         | 48000  | 0.8259 |
|   | AT THE END OF THE YEAR       |       |        |             |         | 48000  | 0.8259 |

| BHAVESH TULSHIBHAI BARSIIYA |                                   |       |        |                     |       |        |
|-----------------------------|-----------------------------------|-------|--------|---------------------|-------|--------|
| 9                           | At the Beginning of the year      | 38400 | 0.6607 |                     | 38400 | 0.6607 |
|                             | AT THE END OF THE YEAR            |       |        |                     | 38400 | 0.6607 |
| 10                          | VISHAL RAJNIKANT SHAH             |       |        |                     |       |        |
|                             | At the Beginning of the year      | 20000 | 0.3441 |                     | 20000 | 0.3441 |
|                             | Transfer                          |       |        | 15 Jun 2018 (20000) | 0     | 0.0000 |
|                             | Transfer                          |       |        | 25 Jan 2019 20000   | 20000 | 0.3441 |
|                             | Transfer                          |       |        | 30 Mar 2019 16000   | 36000 | 0.6194 |
|                             | AT THE END OF THE YEAR            |       |        |                     | 36000 | 0.6194 |
| 11                          | SAMJUBEN PRAVINBHAI RUPARELIA     |       |        |                     |       |        |
|                             | At the Beginning of the year      | 48000 | 0.8259 |                     | 48000 | 0.8259 |
|                             | Transfer                          |       |        | 19 Oct 2018 (26000) | 22000 | 0.3785 |
|                             | AT THE END OF THE YEAR            |       |        |                     | 22000 | 0.3785 |
| 12                          | PRAVINBHAI NANJIBHAI RUPARELIA    |       |        |                     |       |        |
|                             | At the Beginning of the year      | 52000 | 0.8947 |                     | 52000 | 0.8947 |
|                             | Transfer                          |       |        | 24 Aug 2018 (40000) | 12000 | 0.2065 |
|                             | Transfer                          |       |        | 29 Sep 2018 (12000) | 0     | 0.0000 |
|                             | AT THE END OF THE YEAR            |       |        |                     | 0     | 0.0000 |
| 13                          | KANCHANBEN DEEPESHKUMAR RUPARELIA |       |        |                     |       |        |
|                             | At the Beginning of the year      | 44000 | 0.7571 |                     | 44000 | 0.7571 |
|                             | Transfer                          |       |        | 19 Oct 2018 (26000) | 18000 | 0.3097 |
|                             | Transfer                          |       |        | 28 Dec 2018 (18000) | 0     | 0.0000 |
|                             | AT THE END OF THE YEAR            |       |        |                     | 0     | 0.0000 |

## v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP                                | Shareholding at the beginning of the year |                                  | Change in the Shareholding |                                     | Cumulative shareholding during the year |                                   | Shareholding at the end of the Year |                                  |
|---------|--|---|----------------------------------|----------------------------|-------------------------------------|---|-----------------------------------|-------------------------------------|----------------------------------|
|         |  | No. of Shares                             | % of total shares of the company | Date And Reason            | Increase/ Decrease in No. of shares | No. of Shares                           | % of total shares of the company. | No. of Shares                       | % of total shares of the company |
| 1       | Mr. Hitesh Thummar   | 739000                                    | 12.72                            | 16-Nov-18                  | 26000                               | 765000                                  | 13.16                             | 765000.00                           | 13.16%                           |
| 2       | Mr. Ramesh Mohanlal Patel  | 0   | 0.00                             | 0.00                       | 0                                   | 0                                       | 0.00%                             | 0                                   | 0.00%                            |
| 3       | Mr. Bhavesh Barasiya   | 38,400                                    | 0.66                             | 0.00                       | 0                                   | 38,400                                  | 0.66                              | 38,400                              | 0.66                             |
| 4       | Mr. Ajay Vithalbhaj Sardhara                                     | 38,400                                    | 0.66                             | 0.00                       | 0                                   | 38,400                                  | 0.66                              | 38,400                              | 0.66                             |
| 5       | Mrs. Darshana Hiteshbhai Thummar                                 | 184600                                    | 3.18                             | 0.00                       | 0                                   | 184,600                                 | 3.18                              | 184600                              | 3.18                             |
| 6       | Mr. Sachin Praful Ravani   | 0   | 0.00                             | 0.00                       | 0                                   | 0                                       | 0.00%                             | 0                                   | 0.00%                            |
| 7       | Mr. Atul L. Natu<br>[Chief Financial Officer]                    | 0   | 0.00                             | 0.00                       | 0                                   | 0                                       | 0.00%                             | 0                                   | 0.00%                            |
| 8       | Ms. Banashri Joshi**<br>[Company Secretary & Compliance Officer] | 0   | 0.00                             | 0.00                       | 0                                   | 0                                       | 0.00%                             | 0                                   | 0.00%                            |

NOTE \*\* Ms. Banashri Joshi has resigned from the office of the Company Secretary w.e.f. October 11, 2018

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

|   | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits    | Total<br>Indebtedness |
|---|--|--------------------|-------------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b>  |  |                    |             |                       |
| i) Principal Amount   | 3402304.00                             | 0.00               | 0.00        | 3402304.00            |
| ii) Interest due but not paid                               | 0.00                                   | 0.00               | 0.00        | 0.00                  |
| iii) Interest accrued but not due                           | 0.00                                   | 0.00               | 0.00        | 0.00                  |
| <b>Total (i+ii+iii)</b>                                     | <b>3402304.00</b>                      | <b>0.00</b>        | <b>0.00</b> | <b>3402304.00</b>     |
| <b>Change in the Indebtedness during the financial year</b> |  |                    |             |                       |
| Addition  | 33697778.39                            | 5000000.00         | 0.00        | 38697778.39           |
| Reduction   | 0.00                                   | 0.00               | 0.00        | 0.00                  |
| <b>Net Change</b>   | <b>33697778.39</b>                     | <b>5000000.00</b>  | <b>0.00</b> | <b>38697778.39</b>    |
| <b>Indebtedness at the end of the financial year</b>        |  |                    |             |                       |
| i) Principal Amount   | 37100082.39                            | 5000000.00         | 0.00        | 42100082.39           |
| ii) Interest due but not paid                               | 0.00                                   | 0.00               | 0.00        | 0.00                  |
| iii) Interest accrued but not due                           | 0.00                                   | 0.00               | 0.00        | 0.00                  |
| <b>Total (i+ii+iii)</b>                                     | <b>37100082.39</b>                     | <b>5000000.00</b>  | <b>0.00</b> | <b>42100082.39</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sr. No.                       | Particulars of Remuneration  | Name of MD/ WTD/ Manager            |   |   |          |          |          | Total Amount |
|-------------------------------|--|-------------------------------------|---|---|----------|----------|----------|--------------|
|                               |  | Hitesh Thummar<br>Managing Director | Ajay Vithalbhai Sardhara<br>Whole Time Director | Bhavesh Tulshibhai Barsiya<br>Whole Time Director | NA       | NA       | NA       |              |
| 1                             | Gross Salary   | 1,500,000                           | 300,000   | 600,000   |          |          |          | 0            |
|                               | (a) Salary as per Provisions contained in section 17(1) of the Income-Tax Act, 1961. | 0                                   | 0   | 0   |          |          |          | 0            |
|                               | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                       | NIL                                 | 0   | NIL   |          |          |          | 0            |
|                               | (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961                  | NIL                                 | NIL   | NIL   |          |          |          | 0            |
| 2                             | Stock Option   | NIL                                 | NIL   | NIL   |          |          |          | 0            |
| 3                             | Sweat Equity   | NIL                                 | NIL   | NIL   |          |          |          | 0            |
| 4                             | Commission<br>- As % of Profit<br>- Others, Specify.                                 | NIL                                 | NIL   | NIL   |          |          |          | 0            |
| 5                             | Others, please specify   | NIL                                 | NIL   | NIL   |          |          |          | 0            |
| <b>Total of A.</b>            |  | <b>1,500,000</b>                    | <b>300000</b>                                   | <b>600000</b>                                     | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>     |
| <b>Ceiling as per the Act</b> |  | 11% of the Net Profit               |   |   |          |          |          |              |

**B. Remuneration to other directors:**

| Sr. No.                                | Particulars of Remuneration  | Name of Directors |      |      |      |      | Total Amount |
|--|--|-------------------|------|------|------|------|--------------|
|  |  |                   |      |      |      |      |              |
| 1                                      | <b>Independent Directors</b>   | NIL               | NIL  | NIL  | NIL  | NIL  | NIL          |
|  | (a) Fee for attending board / committee meetings                                 |                   |      |      |      |      | 0            |
|  | (b) Commission   |                   |      |      |      |      | 0            |
|  | (c) Others, please specify   |                   |      |      |      |      | 0            |
|  | <b>Total (1)</b>   | 0                 | 0    | 0    | 0    | 0    | 0            |
| 2                                      | <b>Other Executive Directors</b>   | NIL               | NIL  | NIL  | NIL  | NIL  | NIL          |
|  | (a) Fee for attending Board /committee meetings                                  |                   |      |      |      |      | 0            |
|  | (b) Commission   |                   |      |      |      |      | 0            |
|  | (c) Others, please specify.  | 0                 | 0    | 0    | 0    | 0    | 0            |
|  | Salary as per Provisions contained in section 17(1) of the Income-Tax Act, 1961. |                   |      |      |      |      |              |
| <b>Total (2)</b>                       | 0  | 0                 | 0    | 0    | 0    | 0    |              |
| <b>Total of B. = (1)+(2)</b>           |  | 0                 | 0    | 0    | 0    | 0    | 0            |
| <b>Total Managerial Remuneration</b>   |  | NIL               | NIL  | NIL  | NIL  | NIL  | NIL          |
| <b>Overall ceiling as per the Act.</b> |  | N.A.              | N.A. | N.A. | N.A. | N.A. | N.A.         |

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD:**

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel |         |                   |
|---------|--|--------------------------|---------|-------------------|
|         |  | CEO                      | CFO     | Company Secretary |
| 1       | Gross salary   | NIL                      | 529,688 | 79,336            |
|         | (a) Salary as per Provisions contained in section 17(1) of the Income-Tax Act, 1961. | --                       | ---     | ---               |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act,1961                        | --                       | ---     | ---               |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act,1961                   | --                       | ---     | ---               |
| 2       | Stock Option   | NIL                      | NIL     | NIL               |
| 3       | Sweat Equity   | NIL                      | NIL     | NIL               |
| 4       | Commission   | NIL                      | NIL     | NIL               |
|         | - As % of Profit   | ---                      | ---     | ---               |
|         | - Others, Specify.   | ---                      | ---     | ---               |
| 5       | Others, please specify   | NIL                      | NIL     | NIL               |
|         | <b>Total of C.</b>   | 0                        | 529,688 | 79,336            |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Authority RD / NCLT / COURT | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                             |                                    |
| Penalty                             | NIL                          | NIL               | NIL                         | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL                         | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL                         | NIL                                |
| <b>B. DIRECTORS</b>                 |                              |                   |                             |                                    |
| Penalty                             | NIL                          | NIL               | NIL                         | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL                         | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL                         | NIL                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                             |                                    |
| Penalty                             | NIL                          | NIL               | NIL                         | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL                         | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL                         | NIL                                |

DATE: 20/08/2019  
PLACE: Rajkot

For and on Behalf of the Board  
**TIRUPATI FORGE PRIVATE LIMITED**

Sd/-  
**DIRECTOR**  
HITESH THUMMAR  
Din 02112952

Sd/-  
**DIRECTOR**  
BHAVESH BARSIIYA  
Din : 05332180



# CS PIYUSH JETHVA

(Practising Company Secretary)

806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank, Limda Chowk, Rajkot - 360 001 (Gujarat) India

Annexure V

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

Form No. MR-3

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**TIRUPATI FORGE LIMITED**  
Plot No. 1-5; Survey No. 92/1,  
Near Shan Cement, Hadamtala Industrial Area,  
Tal: Kotda Sangani Hadamtala  
Rajkot 360311 (Gujarat) India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TIRUPATI FORGE LIMITED (CIN: L27320GJ2012PLC071594)** (hereinafter called 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on **31st March, 2019** ('Audit Period'), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



# CS PIYUSH JETHVA

(Practising Company Secretary)

806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank, Limda Chowk, Rajkot - 360 001 (Gujarat) India

V. 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, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **Not Applicable to the Company during the Audit period;**
- e. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company during the Audit period;**
- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 AND SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016: **Not Applicable to the Company during the Audit period;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company during Audit period.**

VI As confirmed and identified by the company, the following laws as specifically applicable to the Company.

- a. The Trade Mark Act, 1999

VII Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations and Guidelines. Major heads/groups of Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

- a. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, provident fund, ESIC, compensation etc.

I 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 the National Stock Exchange of India Limited. (NSE Emerge Platform)



# CS PIYUSH JETHVA

(Practising Company Secretary)

806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank, Limda Chowk, Rajkot - 360 001 (Gujarat) India

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except below:**

1. *Previous company secretary had resigned from the post of Company Secretary and Compliance Officer of the Company on 11<sup>th</sup> October 2018. As per section 203(4) the vacancy of Key Managerial Personnel shall be filled-up by Six months from the date of resignation of Key Managerial Personnel. However the company has not appointed Company Secretary up to the date of 10<sup>th</sup> April 2019 (Six Month from Vacancy of Previous Company secretary) and appointed on 22<sup>nd</sup> April 2019.*

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, if any, under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or lesser days as agreed by all directors pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, after due compliance with the SS 1 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
- Minutes of the meeting is duly recorded and signed by the Chairman, Decision of Board is unanimous and no dissenting views have been recorded.
- That the company has not filed /filed some Form late in time with additional fees to Registrar of Companies/Regional Director/Central Government under The Companies Act, 2013. The Management clarified that it is a procedural lapse only.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period the company has done transaction as under which can be considered material in nature:

- The Company has passed special resolution on 14<sup>th</sup> March 2019 to issue 11,88,000 convertible warrant.



# CS PIYUSH JETHVA

(Practising Company Secretary)

806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank, Limda Chowk, Rajkot - 360 001 (Gujarat) India

This report is to be read with letter dated 15<sup>th</sup> July, 2019 which is annexed as “**Annexure-A**” and forms an integral part of this report.

**Date :** 15<sup>th</sup> July 2019

**Place:** Rajkot

**PIYUSH JETHVA**  
**Practising Company secretary**

sd/-

**FCS: 6377, CP: 5452**



# CS PIYUSH JETHVA

(Practising Company Secretary)

806 - The Imperia, Opp. Shastri Maidan, Above Federal Bank, Limda Chowk, Rajkot - 360 001 (Gujarat) India

## ANNEXURE -A

To,  
The Members,  
TIRUPATI FORGE LIMITED  
Plot No. 1-5; Survey No. 92/1,  
Near Shan Cement, Hadamtala Industrial Area,  
Tal: Kotda Sangani Hadamtala  
Rajkot 360311 (Gujarat) India

Secretarial Audit Report dated 15<sup>TH</sup> July 2019 is to be read along with this letter.

1. The Company's Management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliance with the provision of applicable laws and regulations. Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances by inspecting the records, documents return etc. on random basis.
2. We 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 test basis and in random manner to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on 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.

**PIYUSH JETHVA**  
Practising Company secretary

**Date : 15<sup>th</sup> July 2019**  
**Place: Rajkot**

sd/-

**FCS: 6377, CP: 5452**

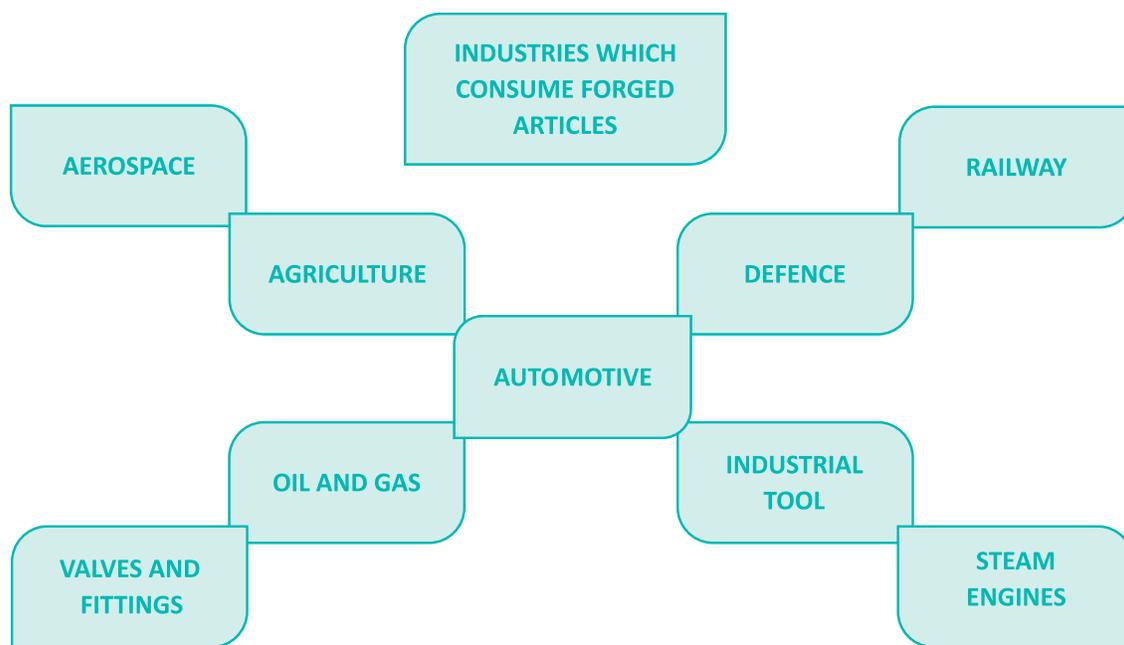
# Management Discussion And Analysis

## INDUSTRY STRUCTURE AND PERFORMANCE

Forging is traditionally considered as the back bone of manufacturing industry. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering.

The Indian forging industry is well recognised globally for its technical capabilities. With an installed capacity of around 38.5 lakh MT, Indian forging industry has a capability to forge variety of raw materials like Carbon steel, alloy steel, stainless steel, super alloy, titanium, aluminium and so forth, as per the requirements of user industry.

Over the years, the Indian forging industry has evolved from being a labour-intensive industry to capital-intensive manufacturing sector. The current investment in the plant and machinery by Indian forging companies is worth of INR 27,833 Crore.



## COMPANY PERFORMANCE AND BUSINESS OUTLOOK

The Company is engaged with the production of forging products only. However for convenience of existing client the company is doing trading of casting product but never engaged in casting procedure. Company is growing in much faster way after getting listed on NSE Emerge platform in the year 2017. During the previous year the company delivered best result which was driven by productivity improvement, management of human resources and efficient capital management. The stock holder may find the positive performance figures of the company from “Operation results and state of Company's Affairs”

## RISK AND CONCERN

The domestic forging business in spite of balanced for a robust growth during current financial year was facing a threat following the Centre's "renewed focus towards electric vehicles (EV).

The introduction of EVs will have an adverse impact on the forging industry in the long run, as 60 percent of forging units are into manufacturing auto components particularly engine and transmission related application.

### DIVERSIFICATION: THE FUTURE OF FORGING?

In order to de-risk and reduce its dependence on the automotive sector, the Indian forging industry is consciously making efforts towards upgrading technologies and diversifying product range to expand its customer base to emerging sectors including aerospace, energy, oil & gas, heavy engine parts, defence, construction equipment, power generation, transmission and distribution.

At the same time, the industry is increasingly tapping opportunities arising out of the growing trend among global automotive OEMs to outsource components from manufacturers in low-cost countries. As a result, the Indian forging industry has been making significant contributions to the country's growing exports.

By 2020, the Indian forging industry is expected to grow at CAGR of 8 % to reach a production of 35.1 lakh MT. The expectation of the industry, like the rest of the country hinges on the hope that with good and stable governance, strong policy reforms, coupled with an improvement in the overall economic sentiment, will finally see a revival in the Indian economy.

## INTERNAL CONTROL SYSTEMS

Tirupati Forge Limited (TFL) maintains adequate internal control systems including internal financial control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects. This system also protects against significant misuse or loss of Company assets.

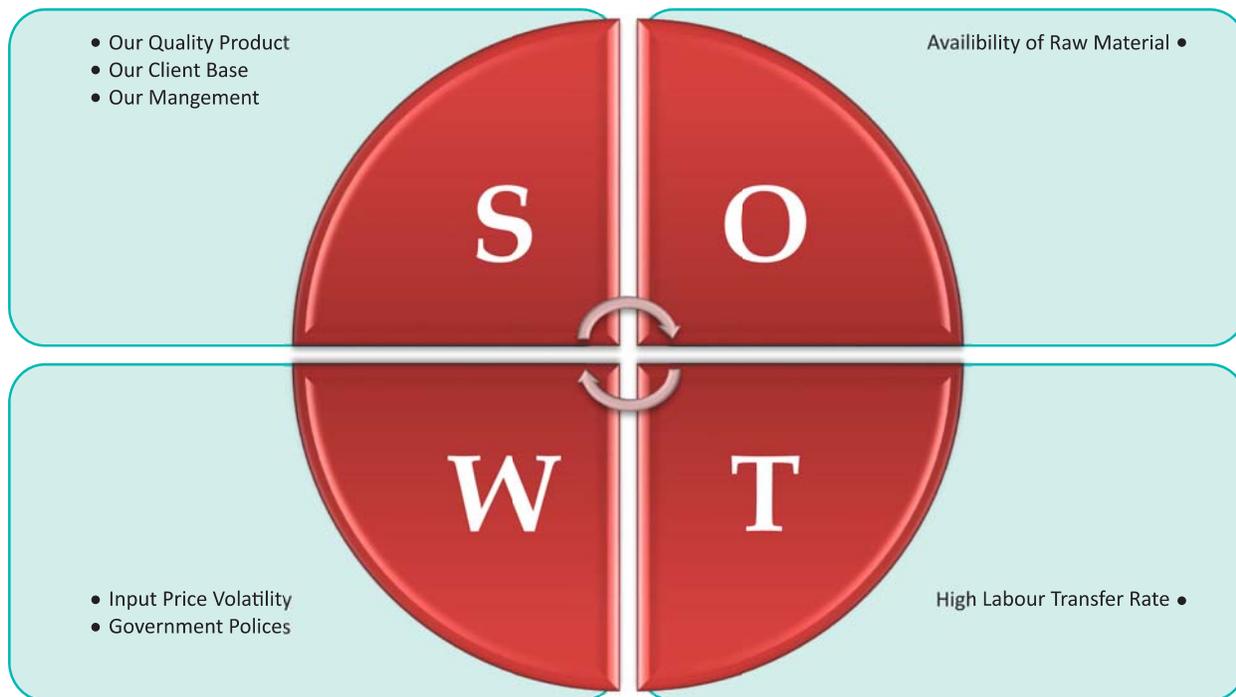
The Company has a system of carrying out internal audit, covering all business processes to review the internal control systems. The internal control system and mechanism is reviewed periodically by the Audit Committee to make it robust so as to meet the challenges of the business. The Company has an adequate and efficient Internal Control System, which provides protection to all its assets against loss from unauthorized use and for correct reporting of transactions. The internal control systems are further supplemented by internal audit carried out of the Internal Auditor of the Company and periodical review by the Management. The Company has put in place proper controls which are reviewed at regular intervals to ensure that transactions are properly authorized and correctly reported and assets are safeguarded. The Audit Committee of the Board addresses issues raised by both the Internal and Statutory Auditors. The Internal Control Systems are implemented to safeguard Company's assets from loss or damage, to keep constant check on cost structure and to provide adequate financial and accounting controls and implement accounting standards.

## HUMAN RESOURCES

Company believes that employees are pivotal to all the initiatives that drive us to realise our future plans. Human Resource agenda encourages high performance culture with focus on Employee safety & welfare, Employee development & Productivity. Human Resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. Human Resource Management is a contemporary, umbrella term used to describe the management and development of employees in an organization. Also called personnel or talent management (although these terms are a bit antiquated), human resource management involves overseeing all things related to managing an organization's human capital. The Human Resources Department is taking care of human capital and their growth requirements.

The Company ensures that a safe and clean working environment is provided to the workers and employees at the workplace. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance. The Manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging Government's "Green Imitative" practice. Further, the Company has provided easy transportation facility by arranging a Staff Bus for everyday movement of workers, laborers and employees to the factory premises. Continuous training down the line is a normal feature in to Company to upgrade skills and knowledge of the employees and workmen of the Company. The employees have extended a very productive co-operation in the efforts of the Management to carry the Company to greater height and the Company is thankful to the entire Human Resource of the Company.

## STRENGTHS, OPPORTUNITIES, WEAKNESS AND THREATS ANALYSIS



## CFO CERTIFICATION

To,  
Board of Directors,  
**TIRUPATIFORGE LIMITED**

**Subject: Compliance Certificate pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit Committee
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Thanking You,  
Yours Faithfully,

**For, TIRUPATI FORGE LIMITED**

**Sd/-**  
**(Atul L. Natu)**  
**Chief Financial Officer**

Hadamtala (Rajkot)  
August 20, 2019



## INDEPENDENT AUDITORS' REPORT

**To the Members of  
TIRUPATI FORGE LTD.**

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of TIRUPATI FORGE LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019:
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



| Sr. No. | Key Audit Matters  | Auditor's Response   |
|---------|--|--|
| 1       | <p><b>Revenue Recognition:</b><br/>Revenue is the Company key performance measure, which gives rise to a risk that revenue may be misstated in order to achieve performance targets. In this regard, revenue recognition was one of the key audit matters.</p> <p>Also refer Note 1(e) for accounting policy on Revenue Recognition.</p> | <p>We analysed the Company accounting policies for revenue recognition, including the criteria for revenue recognition and sales incentives classification.</p> <p>We performed analytical procedures in respect of revenue that included, among others, the analysis of half-yearly sales to detect unusual fluctuations (by type of goods and services, by geographical areas) and reconciliation with comparative information for prior periods and the anticipated results of the Company.</p> <p>We have also checked the following documents on sample verification during our audit visit:</p> <ul style="list-style-type: none"><li>• Sales invoices</li><li>• E-Way bill / delivery challan</li><li>• Proforma invoice</li><li>• Bill of lading / Consignment note</li><li>• Customers confirmation</li><li>• Accounting entry in system</li><li>• Statutory records / Inventory records</li></ul> <p>In this way, we have addressed the completeness of revenue recognition.</p> |

### Management's Responsibility for the Standalone Financial Statements

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone 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 our 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 our 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



**Maharishi & Co.**  
**Chartered Accountants**

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e-mail : info@jainandmaharishi.com

2. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books:
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 our separate report in "Annexure B", and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
    - l. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. and
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
    - l. According to records of the company, information and explanation given by management of the company, there are no disputes or case pending against the Company.



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- ii. The company does not have any long-term contracts including derivative contracts, hence the question of any material foreseeable losses does not arise;
- iii. The company does not declare dividend during the year, hence no amounts were required to be transferred, to the Investor Education and Protection Fund by the company.

For Maharishi & Co.

Chartered Accountants

Firm Registration No. 124872W

Sd/-

Dushyant Maharishi

Partner

Membership No. 146144

Signed at Hadamtala (Dist. Rajkot) on 10th May, 2019



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of TIRUPATI FORGE LTD. on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are in the name of the relative of directors.
- (ii) The inventory (excluding stocks with third parties and work in progress) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Discrepancies noticed during physical verification were not material and the same has been dealt with in the books of account.
- (iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act, accordingly, the provisions stated in paragraph 3 (iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or guarantees and has not provided any security or made any investments as envisaged in section 185 and 186 and hence therefore the said provisions do not apply to the company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and rules framed there under.
- (vi) The Central Government has prescribed the maintenance of cost under sub-section (1) of Section 148 of the Act for the products of the company. But the company is not required to maintain the cost records according to rules framed there under.



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- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, Goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the records of the Company, information and explanation given by management of the company, there are no dues outstanding of income-tax, sales-tax, Goods and service tax, customs duty, excise duty and cess on account of any dispute.
- (viii) Company has not defaulted in repayment of loans or borrowing to a financial institution bank.
- (ix) The Company has not raised money by way of public issue during the year.
- (x) During the course of our 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 us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197.
- (xii) In our opinion, the Company is not a nidhi company. Accordingly, the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) According to information and explanation given to us and on the basis of books of accounts and other relevant records of the company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Note 34 of the standalone Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanation given to us and on the basis of books of accounts of the company no non-cash transaction is entered into by the company during the year.



# Maharishi & Co.

Chartered Accountants

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- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Maharishi & Co.  
Chartered Accountants  
Firm Registration No.124872W

Sd/-  
Dushyant Maharishi  
Partner  
Membership No. 146144

Signed at Hadamtala (Dist. Rajkot) on 10<sup>th</sup> May, 2019



### **Annexure B to the Auditors' report**

#### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the act')**

We have audited the internal financial control over financial reporting of Tirupati Forge Limited ('the company') as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

#### **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 issued by the Institute of Chartered Accountants of India ('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, and accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Control over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of the management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019 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 issued by the Institute of Chartered Accountants of India.

For Maharishi & Co.  
Chartered Accountants  
Firm Registration No.124872W

Sd/-  
Dushyant Maharishi  
Partner  
Membership No. 146144  
Signed at Hadamtala (Dist. Rajkot) on 10<sup>th</sup> May, 2019

Balance Sheet ended as on 31st March, 2019

| Particulars   | Note | (Amount in Rs.)    |                    |
|---|------|--------------------|--------------------|
|   |      | 31-Mar-19          | 31-Mar-18          |
| <b>I EQUITY AND LIABILITIES</b>   |      |                    |                    |
| 1 Shareholders' fund  |      |                    |                    |
| (a) Share Capital   | 3    | 58,120,000         | 58,120,000         |
| (b) Reserves & Surplus  | 4    | 89,042,446         | 46,648,535         |
| Total Shareholder's Fund  |      | 147,162,446        | 104,768,535        |
| 2 Non - Current liabilities   |      |                    |                    |
| (a) Long-term borrowings  | 5    | 24,240,392         | 585,501            |
| (b) Deferred Tax Liability  | 6    | 1,028,700          | -                  |
| (c) Other Long Term Liabilities   |      | -                  | -                  |
| (b) Long term provisions  | 7    | 464,133            | 690,264            |
| Total Non - Current Liabilities   |      | 25,733,225         | 1,275,765          |
| 3 Current Liabilities   |      |                    |                    |
| (a) Short term Borrowings   | 8    | 17,859,690         | 2,816,803          |
| (b) Trade payables  | 9    |                    |                    |
| (i) total outstanding dues of micro enterprises and small enterprise                        |      | 1,287,126          | 382,073            |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 14,373,607         | 9,148,749          |
| (c) Other current liabilities   | 10   | 7,584,065          | 903,726            |
| (d) Short Term Provisions   | 11   | 9,305,421          | 7,682,673          |
| Total Current Liabilities   |      | 50,409,909         | 20,934,025         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>   |      | <b>223,305,581</b> | <b>126,978,324</b> |
| <b>II ASSETS</b>  |      |                    |                    |
| 1 Non-Current Assets  |      |                    |                    |
| (a) Fixed Assets  |      |                    |                    |
| (i) Tangible assets   | 12   | 100,376,094        | 43,113,279         |
| (ii) Intangible assets  | 12   | 103,940            | 140,319            |
| (iii) Capital Work-in-progress  | 12   | -                  | 180,562            |
| (b) Deferred Tax Assets (net)   | 13   | -                  | 750,000            |
| (c) Long-Term Loans and advances  | 14   | 1,141,324          | 942,651            |
| Total - Non Current Assets  |      | 101,621,358        | 45,126,811         |
| 2 Current Assets  |      |                    |                    |
| (a) Inventories   | 15   | 48,243,701         | 36,739,330         |
| (b) Trade receivables   | 16   | 51,805,939         | 27,840,521         |
| (c) Cash and Cash equivalents   | 17   | 1,187,452          | 5,573,003          |
| (d) Short term Loans and advances   | 18   | 19,890,700         | 11,401,406         |
| (e) Other Current Assets  | 19   | 556,429            | 297,252            |
| Total - Current Assets  |      | 121,684,222        | 81,851,513         |
| <b>TOTAL ASSETS</b>   |      | <b>223,305,581</b> | <b>126,978,324</b> |

Significant Accounting Policies

2.1

The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of Board

For Maharishi & Co

Chartered Accountants

Firm Reg. No. 124872W

Hiteshkumar G. Thummar  
Chairman &  
Managing Director

Ajay Sardhara  
Wholetime Director

Sd/-

Dushyant Maharishi

Partner

Membership No. : 146144

02112952

DIN

06386557

DIN

Atulbhai Natu  
Chief Financial  
Officer

Jalpa Doshi  
Company Secretary

Signed at Hadamtala(Dist. Rajkot) on 10th May, 2019

Statement of Profit & Loss for ended 31st March, 2019

|   |      | (Amount in Rs.)    |                    |
|---|------|--------------------|--------------------|
| Particulars   | Note | 31-Mar-19          | 31-Mar-18          |
| <b>I INCOME</b>   |      |                    |                    |
| Revenue from operations                                       | 20   | 418,391,640        | 207,907,254        |
| Other income  | 21   | 2,549,145          | 1,281,770          |
| <b>TOTAL REVENUE</b>  |      | <b>420,940,785</b> | <b>209,189,024</b> |
| <b>II EXPENSES</b>  |      |                    |                    |
| Cost of materials consumed                                    | 22   | 221,480,944        | 117,865,503        |
| Purchase of Stock in trade                                    | 23   | 34,472,691         | 1,828,393          |
| Changes in inventories  |      |                    |                    |
| Work In Progress & By Products                                | 24   | -7,211,416         | 1,642,480          |
| Finished goods  | 25   | 1,733,889          | -12,126,759        |
| Employee benefits expense                                     | 26   | 17,132,863         | 11,449,117         |
| Finance costs   | 27   | 4,313,416          | 2,577,292          |
| Depreciation and amortization expense                         | 12   | 10,239,883         | 8,780,699          |
| Other expenses  | 28   | 80,245,900         | 55,862,345         |
| <b>TOTAL EXPENSES</b>   |      | <b>362,408,169</b> | <b>187,879,071</b> |
| III Profit before exceptional and extraordinary items and tax |      | <b>58,532,616</b>  | <b>21,309,954</b>  |
| <b>IV Tax Expenses</b>  |      |                    |                    |
| Current Tax   | 29   | 14,860,005         | 6,259,972          |
| Deferred Tax  |      | 1,778,700          | -402,600           |
| Total Tax Expenses  |      | <b>16,638,705</b>  | <b>5,857,372</b>   |
| <b>V PROFIT/(LOSS) FOR THE YEAR (III-IV)</b>                  |      | <b>41,893,911</b>  | <b>15,452,582</b>  |
| <b>VI Earnings per equity share</b>                           |      |                    |                    |
| Basic & Diluted   | 29   | <b>7.21</b>        | <b>3.57</b>        |

Significant Accounting Policies

2.1

The notes referred to above forms an integral part of the Statement of Profit & Loss

As per our report of even date  
For Maharishi & Co  
Chartered Accountants  
Firm Reg. No. 124872W

For and on behalf of Board

Sd/-  
Dushyant Maharishi  
Partner  
Membership No. : 146144

|   |  |
|---|--|
| Hiteshkumar G. Thummar<br>Chairman &<br>Managing Director | Ajay Sardhara<br>Wholetime<br>Director |
| 02112952<br>DIN   | 06386557<br>DIN                        |

Signed at Hadamtala(Dist . Rajkot) on 10th May, 2019

|   |                                     |
|---|-------------------------------------|
| Atulbhai Natu<br>Chief Financial<br>Officer | Jalpa Doshi<br>Company<br>Secretary |
|---|-------------------------------------|

## Cash Flow Statement of the year ended 31st March, 2019

(Amount in Rs.)

| Particulars  | 31-Mar-19          | 31-Mar-18         |
|--|--------------------|-------------------|
| <b>A. Cash flow from operating activities</b>                            |                    |                   |
| Net profit before taxation   | 58,532,616         | 21,309,954        |
| <u>Adjustment for:</u>   |                    |                   |
| Depreciation & Impairment  | 10,239,883         | 8,780,699         |
| Finance Cost   | 4,313,416          | 2,577,292         |
| Interest Income  | -51,188            | -49,168           |
| <b>Operating Profit before working capital changes</b>                   | <b>73,034,726</b>  | <b>32,618,777</b> |
| <u>Movements in working capital:</u>                                     |                    |                   |
| Decrease/-Increase in Inventories  | -11,504,370        | -9,638,448        |
| Decrease/-Increase in Trade Receivable                                   | -23,965,418        | -8,437,065        |
| Decrease/-Increase in Loans and Advances                                 | -8,687,967         | -6,832,851        |
| Decrease/-Increase in Other Current Assets                               | -259,177           | 1,650,798         |
| Increase/-Decrease in Trade Payables                                     | 6,129,910          | -18,351,853       |
| Increase/-Decrease in Other Short Term Provision                         | -529,270           | 2,437,630         |
| Increase/-Decrease in Other Long Term Provision                          | -226,131           | 690,264           |
| Increase/-Decrease in Other Current Liabilities                          | 855,095            | 44,304            |
| Sub-Total Movement in Working Capital                                    | -38,187,329        | -38,437,220       |
| Cash generated from operations   | 34,847,397         | -5,818,444        |
| Direct taxes paid (net of refunds)                                       | -12,707,987        | -3,621,130        |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                | <b>22,139,410</b>  | <b>-9,439,574</b> |
| <b>B. Cash flow from investing activities</b>                            |                    |                   |
| Purchase of fixed assets including Capital WIP & Capital Advances        | -67,285,757        | -7,381,380        |
| Subsidy Received under CLCSS Scheme                                      | -                  | 1,500,000         |
| Increase in interest receivable  | 51,188             | 49,168            |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>                           | <b>-67,234,568</b> | <b>-5,832,212</b> |
| <b>C. Cash flow from financing activities</b>                            |                    |                   |
| Proceeds / Repayment of Long-term borrowings                             | 23,654,891         | -24,519,979       |
| Proceeds / Repayment of Short-term borrowings                            | 20,868,131         | -15,800,562       |
| Finance Cost   | -4,313,416         | -2,577,292        |
| IPO Subsidy received   | 500,000            | 24,604,927        |
| Net Proceeds from Issue of Shares  | -                  | 38,500,000        |
| <b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>                           | <b>40,709,607</b>  | <b>20,207,094</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>                 | <b>-4,385,551</b>  | <b>4,935,308</b>  |
| Cash and cash equivalents at the beginning of the year                   | 5,573,003          | 637,695           |
| <b>Cash and cash equivalents at the end of the year</b>                  | <b>1,187,452</b>   | <b>5,573,003</b>  |
| <b>Components of cash and cash equivalents as at the end of the year</b> |                    |                   |
| Cash and cheques on hand   | 758,672            | 430,202           |
| With bank  |                    |                   |
| - In current account   | 428,780            | 5,142,801         |
| <b>TOTAL</b>   | <b>1,187,452</b>   | <b>5,573,003</b>  |

Significant Accounting Policies

2.1

The notes referred to above forms an integral part of the Cash Flow Statement

As per our report of even date

For Maharishi & Co

Chartered Accountants

Firm Reg. No. 124872W

Sd/-

Dushyant Maharishi

Partner

Membership No. : 146144

For and on behalf of Board

Hiteshkumar G. Thummar

Managing Director

02112952

DIN

Ajay Sardhara

Wholetime Director

06386557

DIN

Atulbhai Natu

Chief Financial Officer

Jalpa Doshi

Company Secretary

Signed at Hadamtala (Dist. Rajkot) on 10th May, 2019

Hitesh Thumar  
Managing Director  
02112952  
DIN

Atulbhai Natu  
Chief Financial Officer

**Notes on Accounts & Significant Accounting Policies :**

**Corporate Information :**

Tirupati Forge Limited was incorporated in 2012 under Companies Act, 1956. The Company is situated at Hadamtala Industrial Area in district of Rajkot. The Company is engaged in business of manufacturing of Carbon Steel Forged Flanges, Forged Components and other automotive components. The Company was converted into a public limited company with effect from 11 August, 2017.

**Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with the standards specified under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

**1 Significant Accounting Policies :**

**(a) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the financial statements and the results of operations during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from those estimates. The effects of change in accounting estimates are reflected in the financial statements in the period in which the results are known and if material, are disclosed in the financial statements.

**(b) Inventories:**

- a. Raw Materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares in determined on a First-in-first out basis.
- b. Work-in-progress and finished goods are valued as lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- c. Traded goods are valued at lower of cost and net realizable value. Cost include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First-in-first out basis.
- d. By-Products are valued at Net Realisable Value.

**(C) Cash Flow Statement:**

- a. Cash Flows are presented using indirect method, whereby profit/(loss) before extra ordinary items and 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 flow from operating, investing and financing activities of the company is segregated based on the available information.
- b. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances, highly liquid investment with maturity of 3 months or less that are readily convertible into cash.

**(d) Depreciation & Amortisation:**

**Tangible Assets**

- a. Depreciation on tangible assets is provided on the written down value (WDV) method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for assets which is estimated by the Company.
- b. The company believes that the useful lives as given below best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which may be different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

| <b>Sr No.</b> | <b>Assets Category</b> | <b>Useful Life (Years)</b> |
|---------------|------------------------|----------------------------|
| 1             | Building               | 30 Years                   |
| 2             | Furniture & Fixtures   | 10 Years                   |
| 3             | Plant & Machinery      | 15 Years                   |
| 4             | Office Equipments      | 5 Years                    |
| 5             | Computer Server        | 6 Years                    |

However, in case of assets useful life is taken as mentioned below, w.e.f. date of put to use of respective assets on the basis of useful life as certified by Management:

| <b>Sr No.</b> | <b>Assets Category</b> | <b>Useful Life (Years)</b> |
|---------------|------------------------|----------------------------|
| 1             | Computers              | 4 Years                    |
| 2             | Vehicles               | 8 to 10 Years              |

**Intangible Assets**

Intangible assets are amortised over the useful lives of 10 years as per generally accepted accounting principle which are prescribed under Schedule II of the Companies Act 2013.

**(e) Revenue Recognition:**

- a. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods, it can be reliably measured and it is reasonable to expect ultimate collection. The Company collects sales tax and excise duty on behalf of the government and therefore, there are not economic benefits followings to the company. Hence, they are excluded from revenue.
- b. Dividend income is recognised when the right to receive dividend is established.
- c. Interest Income are recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- d. Revenue from job work is recognised when material received is given back to customer after processing.
- e. Revenue in respect of other income is recognised on accrual basis when no significant uncertainty as to its determination or realisation exist.

**(f) Fixed Assets**  
**Tangible Assets**

- a. Tangible Assets are stated at cost net of recoverable taxes, trade discount and rebates, less accumulated depreciation and impairment loss, if any, except freehold land which is carried at cost. The cost of Tangible Fixed Assets comprises its purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Fixed Assts are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress, comprising direct cost, related incidental expenses and attributable interest.

- b. All other expenses on fixed assets, including repair and maintenance expenditure and replacement expenditure of parts, are charged to Statement of Profit and Loss for the period during the which such expenses are incurred
- c. Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Intangible Assets**

Intangible Assets are stated at cost net of recoverable taxes, trade discount and rebates, less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the intangible assets.

**(g) Foreign Currency Transactions:**

**a Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting current and the foreign currency at the date of the transactions.

**b Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transactions. Non- monetary items, which are measured at fair value or others similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c Exchange Differences:**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

All exchange differences arising of transactions / settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

**(h) Government Grants:**

- a. Revenue related grants are recognised on accrual basis wherever there is reasonable certainty and are disclosed under other operating income. Receivables of such grants are shown under Other Current Assets.
- b. Export benefits are accounted in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such export benefits are shown under Other Current Assets.

- c. Capital grants are accounted as Capital Subsidy and adjusted against the cost of Fixed Assets in the year of receipt.

**(I) Investment:**

- a. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

- b. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

- c. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(j) Employee Benefits:**

- a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services.

- b. Company has not created gratuity fund of its own/has not taken any policy with respect to payment of gratuity to employees at time of retirement. The liability of the same is also not valued by independent actuary. Company is paying monthly gratuity to all employees, calculated as per provision of Payment of Gratuity Act, 1972 along-with salary payable to them. Gratuity liability stood as at 31st March, 2018 of Rs. 6,90,264/- will be paid to entitled employees as per provisions of the Payment of Gratuity Act, 1972.

- c. The Company provides for the encashment of leave or leave with pay subject to certain rules. The employee are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date.

**(k) Borrowing Costs:**

- a. Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and foreign exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs

- b. Borrowing costs directly attributable to the construction of an asset that necessarily take a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All of these borrowing costs are expensed in the period they are incurred.

**(l) Segment Reporting:**

The company is engaged mainly in the business of Flanges and Forged Articles. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

**(m) Lease:**

- a. Assets taken on lease by the Company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability of each year.

- b. Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement or profit and loss on a straight line basis over the lease term.

**(n) Earning Per Share:**

Basic earnings per share is calculated by dividing the net profit/ loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the previous period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(o) Taxation:**

Tax expense comprises of current and deferred tax. Provision of current tax is made on the basis of reliefs and deductions available under relevant tax laws. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed as at each balance sheet date for their reliability.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**(p) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**( r ) Provision, Contingent Liabilities and Contingent Assets:**

- a. Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates reviewed at each reporting date and adjusted to reflect the current best estimate.
- b. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are not recognised in the financial statements.

## Notes forming part of the balance sheet & Profit & loss account

| Note No. | Particulars                                |                      | 31-Mar-19         | 31-Mar-18         |
|----------|--|----------------------|-------------------|-------------------|
| 3        | <b>SHARE CAPITAL</b>                       |                      |                   |                   |
| (a)      | <u>Authorized Share Capital</u>            |                      |                   |                   |
|          | Equity Shares of Rs. 10 each               | No. of Equity Shares | 7,000,000         | 7,000,000         |
|          |  | Amount               | 70,000,000        | 70,000,000        |
|          | Issued, Subscribed & Paid up Share Capital | No. of Equity Shares | 5,812,000         | 5,812,000         |
|          |  | Amount               | 58,120,000        | 58,120,000        |
|          | <b>TOTAL SHARE CAPITAL</b>                 |                      | <b>70,000,000</b> | <b>70,000,000</b> |

### Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares

|     |  |               |                   |                   |
|-----|--|---------------|-------------------|-------------------|
| (b) | At the beginning of the period               | No. of Shares | 5,812,000         | 785,000           |
|     |  | Amount        | 58,120,000        | 7,850,000         |
|     | Issued during the period - Bonus             | No. of Shares | -                 | 1,727,000         |
|     |  | Amount        | -                 | 17,270,000        |
|     | Issued during the period - Private Placement | No. of Shares | -                 | 1,500,000         |
|     |  | Amount        | -                 | 15,000,000        |
|     | Issued during the period - Fresh Issue       | No. of Shares | -                 | 1,800,000         |
|     |  | Amount        | -                 | 18,000,000        |
|     | Outstanding at the end of the period         | No. of Shares | 5,812,000         | 5,812,000         |
|     |  | Amount        | <b>58,120,000</b> | <b>58,120,000</b> |

### (c) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a per share value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (d) Details of shareholders holding more than 5% shares in the company

|                                 | 31-Mar-19 |                    | 31-Mar-18 |                    |
|---------------------------------|-----------|--------------------|-----------|--------------------|
|                                 | No.       | % of total holding | No.       | % of total holding |
| Bhargavi Manojbhai Thummar      | 1,130,200 | 19.45%             | 1,104,200 | 19.00%             |
| Bhavesh Tulisibhai Barasiya     | -         | 0.00%              | -         | 0.00%              |
| Chetna Mukeshbhai Thummar       | 1,115,200 | 19.19%             | 1,103,200 | 18.98%             |
| Hiteshkumar Gordhanbhai Thummar | 765,000   | 13.16%             | 739,000   | 12.72%             |
| Jayaben Shivilal Thummar        | 373,500   | 6.43%              | 373,500   | 6.43%              |
| Otamben Khodabhai Thummar       | 372,500   | 6.41%              | 372,500   | 6.41%              |

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

|     |   |  |                   |                   |
|-----|---|--|-------------------|-------------------|
| 4   | <b>RESERVES &amp; SURPLUS</b>                   |  |                   |                   |
| (a) | <u>Security Premium</u>                         |  |                   |                   |
|     | Opening Balance                                 |  | 30,104,927        | 5,500,000         |
|     | Add: premium received on issue of equity shares |  | -                 | 35,700,000        |
|     | Less: Amount utilised for issue of bonus shares |  | -                 | -5,500,000        |
|     | Less: Share Issue Expenses                      |  | -                 | -5,595,073        |
|     | Add: Subsidy received for share issue expense   |  | 500,000           | -                 |
|     | <b>Sub-Total</b>                                |  | <b>30,604,927</b> | <b>30,104,927</b> |

## Notes forming part of the balance sheet & Profit & loss account

| Note No.                           | Particulars  | 31-Mar-19         | 31-Mar-18         |
|------------------------------------|--|-------------------|-------------------|
| (b)                                | <u>Surplus / (Deficit) in Statement of Profit and Loss</u>   |                   |                   |
|                                    | Opening Balance  | 16,543,608        | 12,861,027        |
|                                    | Add: Profit during the year  | 41,893,911        | 15,452,582        |
|                                    | Less: Income tax expenses for earlier years  |                   |                   |
|                                    | Less: Amount utilised for issue of bonus shares  |                   | -11,770,000       |
|                                    | <b>Sub-Total</b>   | <b>58,437,519</b> | <b>16,543,608</b> |
| <b>TOTAL RESERVE &amp; SURPLUS</b> |  | <b>89,042,446</b> | <b>46,648,535</b> |
| 5                                  | <u>LONG TERM BORROWINGS</u>  |                   |                   |
|                                    | <u>Term Loan from Banks</u>  |                   |                   |
|                                    | Non Current  | 19,240,392        | 585,501           |
|                                    | Current Maturity   | 6,320,061         | 494,817           |
|                                    | <u>Loan from Director</u>  |                   |                   |
|                                    | Non Current  | 5,000,000         |                   |
|                                    | Current Maturity   |                   |                   |
|                                    |  | <b>24,240,392</b> | <b>585,501</b>    |
|                                    | The above amount includes  |                   |                   |
|                                    | Secured borrowings   | 19,240,392        | 585,501           |
|                                    | Unsecured borrowings   | 5,000,000         |                   |
|                                    | <b>Total Borrowings</b>  | <b>24,240,392</b> | <b>585,501</b>    |
|                                    | <b>Term Loan from IOB</b>  |                   |                   |
| (a)                                | Loan is secured against hypothecation of Plant & Machineries purchased & to be purchased from the said Term Loan. It is also secured by equitable mortgage of Leashold Factory Land and Building situated at Hadamtala Industrial Zone, District Rajkot and personal guarantee of directors. |                   |                   |
| (b)                                | Interest rate of term loan is 10.00% p.a. (i.e. 1.35% over One Year MCLR 8.65% presently)  |                   |                   |
| (c)                                | Term Loan is repayable in 75 monthly instalment of Rs. 4,57,330/- commencing from 01/01/2019 and ending on March, 2026   |                   |                   |
|                                    | <b>Term Loan from ICICI</b>  |                   |                   |
| (a)                                | Term loan is secured against Innova car.   |                   |                   |
| (b)                                | Interest rate of loan is 8.5%.   |                   |                   |
| (c)                                | Term Loan is repayable in 36 monthly instalment of Rs. 47,305/- commencing from 01/05/2017 and ending on April, 2020.  |                   |                   |
|                                    | <b>Loan from director</b>  |                   |                   |
| (a)                                | Loan from director is unsecured.   |                   |                   |
| 6                                  | <u>Long Term Provisions</u>  |                   |                   |
|                                    | Gratuity   | 464,133           | 690,264           |
| <b>TOTAL</b>                       |  | <b>464,133</b>    | <b>690,264</b>    |
| 7                                  | <u>DEFERRED TAX LIABILITIES (net)</u>  |                   |                   |
|                                    | <u>Deferred Tax Liability</u>  |                   |                   |
|                                    | Difference of WDV of Assets  | 1,157,800         |                   |
|                                    | Gratuity Provision   | -129,100          |                   |
| <b>TOTAL</b>                       |  | <b>1,028,700</b>  |                   |

## Notes forming part of the balance sheet & Profit & loss account

| Note No.  | Particulars  | 31-Mar-19         | 31-Mar-18        |
|-----------|--|-------------------|------------------|
| <b>8</b>  | <b><u>SHORT TERM BORROWINGS</u></b>  |                   |                  |
|           | <u>Secured borrowing from Bank</u>   |                   |                  |
|           | Export Packing Credit  | 7,685,245         | 2,816,803        |
|           | Cash Credit  | 10,174,445        |                  |
|           | <b>TOTAL</b>   | <b>17,859,690</b> | <b>2,816,803</b> |
|           | The above amount includes  |                   |                  |
|           | Secured borrowings   | 17,859,690        | 2,816,803        |
|           | Unsecured borrowings   |                   |                  |
|           | <b>Total Borrowings</b>  | <b>17,859,690</b> | <b>2,816,803</b> |
|           | <b><u>Cash Credit</u></b>  |                   |                  |
| (a)       | Loan is secured against hypothecation of stock and book debts upto 90 days and with exclusive first charge on entire current assets of the present and future. It is also secured by equitable mortgage of Industrial Land and Building situated at Hadamtal Industrial Zone, District Rajkot and personal guarantee of directors. |                   |                  |
| (b)       | Rate of interest is One Year MCLR + 1.35%, Presently One Year MCLR is 8.65%. Hence effective rate is 10.00%.   |                   |                  |
| (c)       | It is repayable on demand.   |                   |                  |
|           | <b><u>Export Packing Credit</u></b>  |                   |                  |
| (a)       | Loan is secured against hypothecation of stock and book debts upto 90 days and with exclusive first charge on entire current assets of the present and future. It is also secured by equitable mortgage of Industrial Land and Building situated at Hadamtal Industrial Zone, District Rajkot and personal guarantee of directors. |                   |                  |
| (b)       | Rate of interest is as per circular issued by Indian Overseas Bank from time to time.  |                   |                  |
| (c)       | It is repayable in 90 days from the date of sanction.  |                   |                  |
| <b>9</b>  | <b><u>TRADE PAYABLES</u></b>   |                   |                  |
|           | Dues to parties registered under MSMED Act, 2006   | 1,287,126         | 382,073          |
|           | Others   | 14,373,607        | 9,148,749        |
|           | <b>TOTAL</b>   | <b>15,660,733</b> | <b>9,530,823</b> |
|           | The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and interest outstanding as at 31.03.2019 is given below:      |                   |                  |
| (i)       | Amounts unpaid as at end of period   | Principal         | -                |
|           |  | Interest          | -                |
| (ii)      | Amounts paid after appointed date during the period  |                   | -                |
| (iii)     | Amount of interest accrued and unpaid as at period end   |                   | -                |
| (iv)      | Amount of interest paid during the period as per section 16  |                   | -                |
| <b>10</b> | <b><u>OTHER CURRENT LIABILITIES</u></b>  |                   |                  |
|           | Statutory dues   | 287,781           | 254,929          |
|           | Advances from Customers  | 976,223           | 153,980          |
|           | Current Maturities of Long Term Borrowings   | 6,320,061         | 494,817          |
|           | <b>TOTAL</b>   | <b>7,584,065</b>  | <b>903,726</b>   |
| <b>11</b> | <b><u>SHORT TERM PROVISIONS</u></b>  |                   |                  |
|           | Provision for Employee Benefits  | 937,190           | 554,367          |
|           | Other Provisions   | 8,368,231         | 7,128,306        |
|           | <b>TOTAL PROVISION</b>   | <b>9,305,421</b>  | <b>7,682,673</b> |

## Notes forming part of the balance sheet & Profit & loss account

| Note No. | Particulars   | 31-Mar-19         | 31-Mar-18         |
|----------|---|-------------------|-------------------|
| 13       | <b>DEFERRED TAX ASSET (net)</b>   |                   |                   |
|          | <u>Deferred Tax Assets</u>  |                   |                   |
|          | Difference of WDV of Assets   | -                 | 559,800           |
|          | Gratuity Provision  | -                 | 190,200           |
|          | <b>TOTAL</b>  | <b>-</b>          | <b>750,000</b>    |
| 14       | <b>LONG TERM LOANS &amp; ADVANCES</b>                                     |                   |                   |
|          | (Unsecured, Considered Good)  |                   |                   |
|          | Security Deposit  | 1,141,324         | 942,651           |
|          | <b>TOTAL</b>  | <b>1,141,324</b>  | <b>942,651</b>    |
| 15       | <b>INVENTORIES</b>  |                   |                   |
|          | <b>(Cost or NRV whichever is lower)</b>                                   |                   |                   |
|          | Raw Materials   | 9,193,163         | 3,109,248         |
|          | Stores & Consumables  | 280,600           | 337,672           |
|          | Work In Progress  | 7,740,851         | 529,435           |
|          | Finished Goods  | 31,029,087        | 32,762,976        |
|          | <b>TOTAL</b>  | <b>48,243,701</b> | <b>36,739,330</b> |
| 16       | <b>TRADE RECEIVABLES</b>  |                   |                   |
|          | (Unsecured, Considered Good)  |                   |                   |
|          | Outstanding for more than 6 months from the date they are due for payment | 3,537,448         | 659,384           |
|          | Others  | 48,268,491        | 27,181,137        |
|          | <b>TOTAL</b>  | <b>51,805,939</b> | <b>27,840,521</b> |
| 17       | <b>CASH &amp; CASH EQUIVALENT</b>   |                   |                   |
|          | <b>Balances with Bank</b>   |                   |                   |
|          | Cash  | 758,672           | 430,202           |
|          | Current Account   | 428,780           | 507,706           |
|          | Cash Credit   | -                 | 4,635,096         |
|          | <b>TOTAL</b>  | <b>1,187,452</b>  | <b>5,573,003</b>  |
| 18       | <b>SHORT TERM LOANS &amp; ADVANCES</b>                                    |                   |                   |
|          | (Unsecured, Considered Good)  |                   |                   |
|          | Advances to be received in cash or in kind                                |                   |                   |
|          | Advances to Supplier For Material / Capital goods                         | 1,505,504         | 1,917,255         |
|          | Other Advances  | 689,293           | 289,327           |
|          | Balances with Govt Authority  | 17,695,903        | 9,194,824         |
|          | <b>TOTAL</b>  | <b>19,890,700</b> | <b>11,401,406</b> |
| 19       | <b>OTHER CURRENT ASSETS</b>   |                   |                   |
|          | (Unsecured, Considered Good)  |                   |                   |
|          | Accrued Interest  | -                 | 17,168            |
|          | Other assets  | 556,429           | 280,084           |
|          | <b>TOTAL</b>  | <b>556,429</b>    | <b>297,252</b>    |

## Notes forming part of the balance sheet & Profit & loss account

| Note No. | Particulars                                      | 31-Mar-19          | 31-Mar-18          |
|----------|--|--------------------|--------------------|
| 20       | <b>REVENUE FROM OPERATIONS</b>                   |                    |                    |
| (a)      | <b>Sale of Products (net of returns)</b>         |                    |                    |
|          | Manufactured goods                               | 394,125,090        | 182,574,385        |
|          | Less: Excise Duty                                | -                  | -2,547,043         |
|          | Traded goods                                     | -                  | 2,362,199          |
|          | <b>TOTAL</b>                                     | <b>394,125,090</b> | <b>182,389,541</b> |
| (b)      | <b>Other Operating Income</b>                    |                    |                    |
|          | Duty Drawback                                    | 3,920,242          | 1,403,926          |
|          | Export Incentives                                | 5,895,654          | 1,548,018          |
|          | Die Development charges                          | 2,244,000          | -                  |
|          | Jobwork Income                                   | 12,206,654         | 22,565,769         |
|          | <b>TOTAL</b>                                     | <b>24,266,550</b>  | <b>25,517,713</b>  |
|          | <b>TOTAL REVENUE FROM OPERATION</b>              | <b>418,391,640</b> | <b>207,907,254</b> |
| 21       | <b>OTHER INCOME</b>                              |                    |                    |
|          | Interest   | 248,791            | 469,205            |
|          | Other Income                                     | 2,300,354          | 812,565            |
|          | <b>TOTAL</b>                                     | <b>2,549,145</b>   | <b>1,281,770</b>   |
| 22       | <b>COST OF MATERIAL CONSUMED</b>                 |                    |                    |
|          | <u>Opening Stock</u>                             |                    |                    |
|          | Raw Materials                                    | 3,109,248          | 3,878,355          |
|          | <u>Purchases (net of returns)</u>                |                    |                    |
|          | Purchase of Raw Materials                        | 220,596,174        | 117,096,396        |
|          | Purchase of Semi Finished Goods                  | 6,968,685          | -                  |
|          | <u>Closing Stock</u>                             |                    |                    |
|          | Raw Materials                                    | 9,193,163          | 3,109,248          |
|          | <b>TOTAL</b>                                     | <b>221,480,944</b> | <b>117,865,503</b> |
| 23       | <b>PURCHASE OF STOCK-IN-TRADE</b>                |                    |                    |
|          | Purchase of Finished Goods                       | 34,472,691         | 1,828,393          |
|          | <b>TOTAL</b>                                     | <b>34,472,691</b>  | <b>1,828,393</b>   |
| 25       | <b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>  |                    |                    |
|          | Opening Stock                                    | 32,762,976         | 20,636,217         |
|          | Closing Stock                                    | 31,029,087         | 32,762,976         |
|          | <b>change in inventory of finished goods</b>     | <b>1,733,889</b>   | <b>-12,126,759</b> |
| 24       | <b>CHANGES IN INVENTORIES OF WORK IN PROCESS</b> |                    |                    |
|          | Opening Stock                                    | 529,435            | 2,171,915          |
|          | Closing Stock                                    | 7,740,851          | 529,435            |
|          | <b>change in inventory of work in process</b>    | <b>-7,211,416</b>  | <b>1,642,480</b>   |

## Notes forming part of the balance sheet & Profit & loss account

| Note No. | Particulars                                  | 31-Mar-19          | 31-Mar-18          |
|----------|--|--------------------|--------------------|
| 26       | <b>EMPLOYEE BENEFIT EXPENSES</b>             |                    |                    |
|          | Salary, Wages & Bonus                        | 13,818,982         | 8,700,711          |
|          | Contribution to provident and other fund     | 331,090            | 269,711            |
|          | Director's Remuneration                      | 2,400,000          | 1,500,000          |
|          | Gratuity Expenses                            | 46,218             | 690,264            |
|          | Staff Welfare Expenses                       | 536,573            | 288,431            |
|          | <b>TOTAL</b>                                 | <b>17,132,863</b>  | <b>11,449,117</b>  |
| 27       | <b>FINANCE COST</b>                          |                    |                    |
|          | Interest on Working Capital Loan             | 718,322            | 807,576            |
|          | Interest on Vehicles Loan                    | 151,466            | 112,068            |
|          | Interest on Statutory dues                   | 490,507            | 265,971            |
|          | Interest on Term Loan                        | 1,017,144          | 619,742            |
|          | Other Bank Charges                           | 1,935,977          | 771,934            |
|          | <b>TOTAL</b>                                 | <b>4,313,416</b>   | <b>2,577,292</b>   |
| 28       | <b>OTHER EXPENSES</b>                        |                    |                    |
|          | Advertising & Sales Promotion                | 155,612            | 260,074            |
|          | Communication cost                           | 170,374            | 163,884            |
|          | Consumption of Stores & Consumables          | 13,165,791         | 8,183,609          |
|          | Freight & Forwarding                         | 7,164,825          | 6,224,967          |
|          | Insurance                                    | 310,394            | 191,717            |
|          | Legal & consultancy Charges                  | 1,412,637          | 563,418            |
|          | Office Admin Exp                             | 2,229,470          | 1,504,567          |
|          | Other exp                                    | 3,036,330          | 4,397,689          |
|          | Power & Fuel                                 | 29,859,368         | 23,675,066         |
|          | Rates and taxes                              | 2,400              | 130,725            |
|          | Rent   | 25,000             | 60,000             |
|          | Repairs & Maintenance                        |                    |                    |
|          | Building                                     | 52,755             | 58,316             |
|          | Machineries                                  | 3,767,197          | 1,021,345          |
|          | Others                                       | 454,110            | 152,359            |
|          | Job work & Processing charges                | 17,680,411         | 8,579,200          |
|          | Travelling & Conveyance                      | 659,224            | 595,411            |
|          | <b>Total</b>                                 | <b>80,145,900</b>  | <b>55,762,345</b>  |
|          | <u>Payment to Statutory Auditor includes</u> |                    |                    |
|          | Statutory Audit                              | 75,000             | 75,000             |
|          | Tax Audit                                    | 25,000             | 25,000             |
|          | <b>Total</b>                                 | <b>100,000</b>     | <b>100,000</b>     |
|          | <b>Total Other Expenses</b>                  | <b>8 02 45 900</b> | <b>5 58 62 345</b> |
| 29       | <b>Tax Expenses</b>                          |                    |                    |
|          | <u>Current Tax</u>                           |                    |                    |
|          | Provision for current year                   | 14,700,000         | 6,203,000          |
|          | Taxation of Earlier years                    | 160,005            | 56,972             |
|          |  | <b>14,860,005</b>  | <b>6,259,972</b>   |
|          | Deferred Tax                                 | 1,778,700          | -402,600           |
|          | <b>TOTAL</b>                                 | <b>16,638,705</b>  | <b>5,857,372</b>   |

## Notes forming part of the balance sheet & Profit & loss account

| Note No. | Particulars                 | 31-Mar-19   | 31-Mar-18   |
|----------|-----------------------------|-------------|-------------|
| 30       | <b>EARNING PER SHARE</b>    |             |             |
|          | Net profit                  | 41,893,911  | 15,452,582  |
|          | Weighted Avg. No. of Shares | 5,812,000   | 4,326,790   |
|          | <b>EPS</b>                  | <b>7.21</b> | <b>3.57</b> |

### 31 GRATUITY

Company has not created gratuity fund of its own/has not taken any policy with respect to payment of gratuity to employees at time of retirement. The Company has not taken valuation for Gratuity liability from independent actuary valuer this year. During this financial year, the company is paying gratuity to all employees, calculated as per provision of Payment of Gratuity Act, 1972 along-with salary payable to them. Therefore, in absence of valuer's report for gratuity liability, figures for current year with respect to disclosures as per AS-15 has not been shown below.

Gratuity liability stood as at 31<sup>st</sup> March, 2018 of Rs. 6,90,264/- will be paid to entitled employees as per provisions of the Payment of Gratuity Act, 1972. Since in current year, gratuity has been paid to employees there is no long term provision of gratuity has been provided in financial statement which is in accordance with Management's estimates.

Every employee who has completed five years or more service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Following table summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

#### Amount in Balance Sheet:-

|   |                |
|---|----------------|
| Defined Benefit Obligation (DBO)                          | 690,264        |
| Fair Value of Plan Assets                                 | -              |
| <b>Liability/ (Asset) recognised in the Balance Sheet</b> | <b>690,264</b> |

#### Amount Recognised in the statement of Profit & Loss:-

|   |                |
|---|----------------|
| Current Service Cost  | 174,525        |
| Interest Cost   | 44,361         |
| Net Actuarial Losses / (Gains)  | -104,745       |
| <b>Total Expenses/ (income) included in "Employee Benefit Expenses"</b> | <b>114,141</b> |

#### **Change in Present Value of Benefit Obligation during the Period**

|  |                |
|--|----------------|
| Defined Benefit Obligation, Beginning of Period  | 576,123        |
| Current Service Cost                             | 174,525        |
| Interest Cost                                    | 44,361         |
| Actuarial (Gains)/ Losses                        | -104,745       |
| Actual Benefit Paid                              | -              |
| <b>Defined Benefit Obligation, End of Period</b> | <b>690,264</b> |

The Principal assumptions used in determining gratuity benefit obligations for the company's plan are as below:

|   |       |
|---|-------|
| Discount Rate   | 7.70% |
| The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand of the employment market. | 7.00% |

|              |                |
|--------------|----------------|
| <b>TOTAL</b> | <b>690,264</b> |
|--------------|----------------|

### 32 VALUE OF STORES RAWMATERIALS AND PACKING MATERIAL CONSUMED

|  |             |             |
|--|-------------|-------------|
| (i) Total value of Raw Material Consumed During the year |             |             |
| Imported   | -           | -           |
| Indigenous   | 221,480,944 | 117,865,503 |

| Note No.  | Particulars                              | 31-Mar-19   | 31-Mar-18  |
|-----------|--|-------------|------------|
| (ii)      | Spares Consumed                          |             |            |
|           | Imported                                 | -           | -          |
|           | Indigenous                               | 13,165,791  | 8,183,609  |
| <b>33</b> | <b>TRANSACTION IN FOREIGN CURRENCY</b>   |             |            |
| a.        | Expenditure in Foreign Currency (in Rs.) |             |            |
|           | Foreign Travelling                       | -           | 413,801    |
|           | Import Capital goods                     |             |            |
|           | Euro                                     | 24,100      |            |
|           | Import value                             | 1,974,995   |            |
| b.        | Earning in Foreign Currency              |             |            |
|           | USD                                      | 2,866,912   | 1,123,490  |
|           | Euro                                     | 29,683      |            |
|           | Export of goods on FOB basis             | 202,129,360 | 71,003,807 |

#### 34 RELATED PARTY DISCLOSURE

##### Key Managerial Personnel

Hiteshkumar Gordhanbhai Thummar  
Ajay Vithalbhai Sardhara  
Bhavesh Tulshibhai Barsiya  
Darshana Hiteshbhai Thummar  
Atulbhai Laxmanbhai Natu  
Jalpa Nileshbhai Doshi

##### Designation

Chairman & Managing Director  
Whole Time Director  
Director  
Director  
Chief Financial Officer  
Company Secretary

##### Relative of Key Managerial Personnel

Chunibhai Muljibhai Sardhara  
Chetna Mukeshbhai Thummar  
Hetalben M. Sardhara  
Jayaben Shivilal Thummar  
Otamben Khodabhai Thummar  
Urmilaben H. Sardhara

Relative of Director  
Relative of Director

##### Entities in which Managing Director & Key managerial Personnel have significant influence

A - 1 Furniture

#### 35 RELATED PARTY TRANSACTION

| Name of person                                 | Nature of transaction   | 2018-19   | 2017-18 |
|--|-------------------------|-----------|---------|
| <b>(A) Key Managerial Personal</b>             |                         |           |         |
| Hiteshkumar Gordhanbhai Thummar                | Director's Remuneration | 1,500,000 | 900,000 |
| Ajay Vithalbhai Sardhara                       | Director's Remuneration | 300,000   | 300,000 |
| Bhavesh Tulshibhai Barsiya                     | Director's Remuneration | 600,000   | 300,000 |
| <b>(B) Relative of Key Managerial Personal</b> |                         |           |         |
| Chunilal Muljibhai Sardhara                    | Lease rent              | 25,000    | 60,000  |

## Notes forming part of the balance sheet & Profit & loss account

| Note No.  | Particulars   |                               | 31-Mar-19        | 31-Mar-18  |
|---|---|-------------------------------|------------------|------------|
| <b>(C) Entities in which Managing Director &amp; Key managerial Person have significant influence</b> |   |                               |                  |            |
| A - 1   | Furniture   | Fixed Asset purchase          |                  | 12,600     |
|   | Chunilal Muljibhai Sardhara   | Immovable properties purchase | 2,211,000        |            |
| <b>36 Particulars of Unhedged Foreign Currency at the reporting date</b>                              |   |                               |                  |            |
|   | Export Trade Receivable   | USD                           | 429,141          | 216,444    |
|   |   | INR                           | 29,683,678       | 14,078,403 |
|   |   | EURO                          | 3,582            |            |
|   |   | INR                           | 277,251          |            |
| <b>37 Consumption</b>   |   |                               |                  |            |
|   |   | <u>Amount</u>                 | <u>Amount</u>    | <u>%</u>   |
|   |   | <u>31-Mar-19</u>              | <u>31-Mar-18</u> |            |
|   | Imported  | -                             | -                | 0%         |
|   | Indigenous  | 221,480,944                   | 117,865,503      | 100%       |
|   | Total   | 221,480,944                   | 117,865,503      | 100%       |
| <b>38 Contingent Liabilities not acknowledged as debt</b>   |   |                               |                  |            |
|   | Bank has sanctioned bank guarantee upto Rs. 70.00 lakhs which is issued in favour of PGVCL (O & A), Gondal  |                               |                  |            |
| <b>39 Other Notes</b>   |   |                               |                  |            |
| a   | Previous year figures are regrouped, re arranged & re casted wherever necessary.  |                               |                  |            |
|   | The company has received assistance for raising Capital through SME Exchange amounting to Rs. 5 Lakhs, which is related to share issue expense        |                               |                  |            |
| b   | through initial public offer (IPO), have been credited to securities premium as expenses in relation to IPO was debited to it in last financial year. |                               |                  |            |

## Note No. 12

| Particulars                       | Land      | Building   | Plant & Machinery | Furniture & Fixtures | Office Equipment | Vehicles  | Computers & Software | Tangible Assets |         | Intangible Assets |       |
|-----------------------------------|-----------|------------|-------------------|----------------------|------------------|-----------|----------------------|-----------------|---------|-------------------|-------|
|                                   |           |            |                   |                      |                  |           |                      | Total           | Total   | Total             | Total |
| <b>Cost</b>                       |           |            |                   |                      |                  |           |                      |                 |         |                   |       |
| As at 31st March, 2017            | -         | 10,605,098 | 64,420,642        | 21,275               | 291,886          | 2,833,692 | 380,701              | 78,553,294      | -       | -                 | -     |
| Additions                         | -         | -          | 6,303,855         | 504,381              | 26,011           | -         | 233,307              | 7,067,554       | 150,000 | 150,000           | -     |
| Disposals                         | -         | -          | 1,516,735         | -                    | -                | -         | -                    | 1,516,735       | -       | -                 | -     |
| As at 31st March, 2018            | -         | 10,605,098 | 69,207,762        | 525,656              | 317,897          | 2,833,692 | 614,008              | 84,104,113      | 150,000 | 150,000           | -     |
| Additions                         | 2,341,840 | 15,536,795 | 47,090,124        | 264,811              | 165,883          | 1,674,399 | 392,467              | 67,466,319      | -       | -                 | -     |
| Disposals                         | -         | -          | -                 | -                    | -                | -         | -                    | -               | -       | -                 | -     |
| As at 31st March, 2019            | 2,341,840 | 26,141,893 | 116,297,886       | 790,467              | 483,780          | 4,508,091 | 1,006,475            | 151,570,432     | 150,000 | 150,000           | -     |
| <b>Depreciation</b>               |           |            |                   |                      |                  |           |                      |                 |         |                   |       |
| As at 31st March, 2017            | -         | 2,912,098  | 28,265,975        | 6,674                | 211,455          | 552,048   | 271,825              | 32,220,075      | -       | -                 | -     |
| Additions                         | -         | 730,567    | 6,749,102         | 84,336               | 65,758           | 1,027,155 | 113,841              | 8,770,759       | 9,681   | 9,681             | -     |
| Disposals                         | -         | -          | -                 | -                    | -                | -         | -                    | -               | -       | -                 | -     |
| As at 31st March, 2018            | -         | 3,642,665  | 35,015,077        | 91,010               | 277,213          | 1,579,203 | 385,666              | 40,990,834      | 9,681   | 9,681             | -     |
| Additions                         | -         | 786,592    | 7,990,937         | 136,613              | 96,879           | 944,720   | 247,763              | 10,203,504      | 36,379  | 36,379            | -     |
| Disposals                         | -         | -          | -                 | -                    | -                | -         | -                    | -               | -       | -                 | -     |
| As at 31st March, 2019            | -         | 4,429,257  | 43,006,014        | 227,623              | 374,092          | 2,523,923 | 633,429              | 51,194,338      | 46,060  | 46,060            | -     |
| <b>Net Block</b>                  |           |            |                   |                      |                  |           |                      |                 |         |                   |       |
| As at 31st March, 2018            | -         | 6,962,433  | 34,192,685        | 434,646              | 40,684           | 1,254,489 | 228,342              | 43,113,279      | 140,319 | 140,319           | -     |
| As at 31st March, 2019            | 2,341,840 | 21,712,636 | 73,291,872        | 562,844              | 109,688          | 1,984,168 | 373,046              | 100,376,094     | 103,940 | 103,940           | -     |
| <b>Capital Work in Progress :</b> |           |            |                   |                      |                  |           |                      |                 |         |                   |       |
| As at 31st March, 2017            | -         | -          | -                 | -                    | -                | -         | -                    | 180,562         | -       | -                 | -     |
| Addition                          | -         | -          | -                 | -                    | -                | -         | -                    | -               | -       | -                 | -     |
| Capitalised during the year       | -         | -          | -                 | -                    | -                | -         | -                    | -               | -       | -                 | -     |
| As at 31st March, 2018            | -         | -          | -                 | -                    | -                | -         | -                    | 180,562         | -       | -                 | -     |
| Addition                          | -         | -          | -                 | -                    | -                | -         | -                    | 56,405,656      | -       | -                 | -     |
| Capitalised during the year       | -         | -          | -                 | -                    | -                | -         | -                    | 56,586,218      | -       | -                 | -     |
| As at 31st March, 2019            | -         | -          | -                 | -                    | -                | -         | -                    | 180,562         | -       | -                 | -     |

## ATTENDANCE SLIP

[Please fill in this attendance slip and hand it over to ENTRANCE OF THE MEETING HALL]

I hereby record my / our presence at the 7th ANNUAL GENERAL MEETING of the Company being held on Friday, September 20, 2019 at 11:00 a.m. at Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, N. H. 27, Taluka : Kotda Sangani, Hadamtala Rajkot - 360 311. Gujarat India

|   |  |
|---|--|
| Name of the Shareholder                             |  |
| Address of the Shareholder                          |  |
| Registered Folio No. /Client ID                     |  |
| DP ID   |  |
| Name of the Authorised Representative/Proxy, if any |  |
| No. of Shares held                                  |  |

\_\_\_\_\_  
Signature of the shareholders / Proxy Present /Authorised Representative

Notes:

1. Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting may bring his /her copy of the Notice of the AGM for reference at the meeting.
3. Strikeout the options which are not applicable.

## PROXY FORM FORM NO : MGT-11

[Pursuant to Section 105 (96) of the Companies Act, 2013 and Rules 19(3) of the Companies Management and Administration Rules 2014]

|                     |  |
|---------------------|--|
| Name of the Company | TIRUPATI FORGE LIMITED [CIN : L27320G]2012PLC071594]   |
| Registered Office   | Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, N.H. 27, Taluka: Kotda Sangani, Hadamtala Rajkot-360 311 Gujarat India |

|                        |  |
|------------------------|--|
| 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:   |                     |
|     | E-Mail Id |  | Signature: | Or falling him/her; |
| (2) | Name:     |  | Address:   |                     |
|     | E-Mail Id |  | Signature: | Or falling him/her; |
| (3) | Name:     |  | Address:   |                     |
|     | E-Mail Id |  | Signature: |                     |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **Friday, September 20, 2019 at 11:00 a.m. at Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka : Kotda Sangani, Hadamtala, Rajkot - 360 311. Gujarat India**, and any adjournment thereof in respect of such resolutions as are indicated below :

| Sr. No. | Particulars   |
|---------|---|
|         | <b>Ordinary Businesses:</b>   |
| 1.      | To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the F.Y. 2018-19, together with Directors' Report and Audit Report thereto  |
| 2.      | To appoint a Director in place of Mr. Ajay Vithalbhair Sardhara, Director [DIN : 0638557], who retires by rotation and being eligible, offers himself for re-appointment. |
| 3.      | Appointment of M/s. Maharishi & Co., Chartered Accountants [ICAI Firm Registration No. 124872W] as a Statutory Auditors of the Company                                    |
|         | <b>Special Businesses:</b>  |
| 4.      | Approval of Increase in Authorised Capital and Change in Clause V of MOA  |
| 5.      | Amendment in Articles of Association  |
| 6.      | Approval of Issue of Bonus shares   |

Signed this ..... day of..... 2019

\_\_\_\_\_  
Signature of Shareholder (s)

\_\_\_\_\_  
Signature of Proxy holder(s)

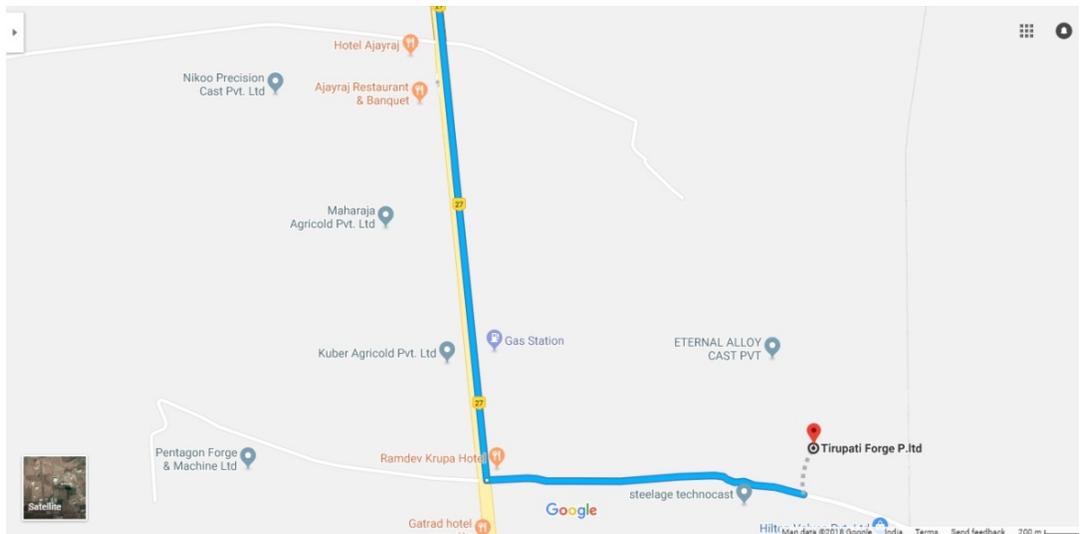
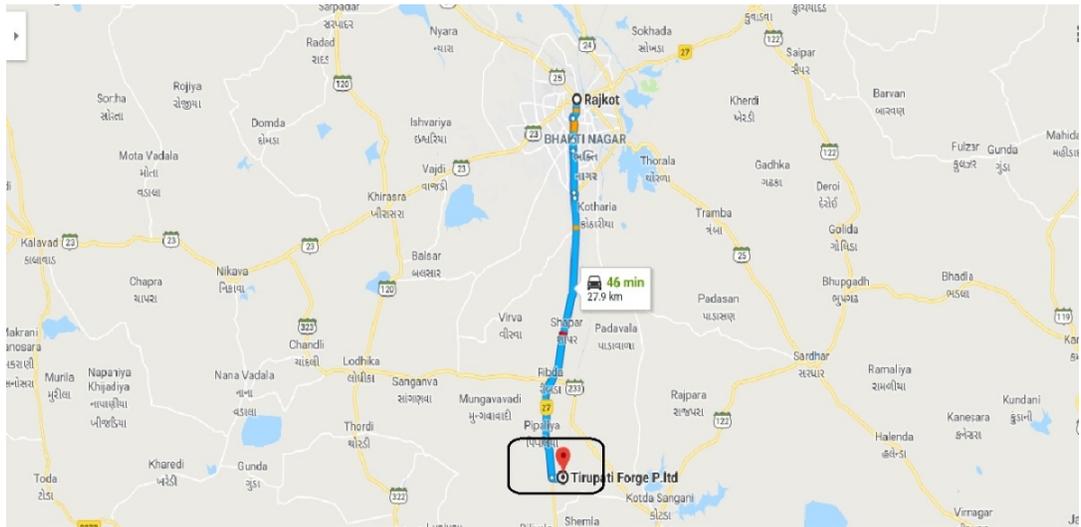
|  |
|--|
| Affix<br>Revenue<br>Stamp of<br>Rs.1/- |
|--|

**Notes:** 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.

# ROUTE MAP OF THE VENUE OF AGM

Venue: Registered Office of the Company

Plot No. 1-5, Survey No. 92/1, Near Shan Cement,  
Hadamtala Industrial Area, N.H. 27, Taluka: Kotda Sangani  
Hadamtala, Rajkot 360 311  
Gujarat. India.



## ROUTE MAP OF THE VENUE OF 7th AGM

Venue: **Registered Office of the Company**

Plot No. 1-5, Survey No. 92/1, Near Shan Cement,  
Hadamtala Industrial Area, N.H. 27, Taluka: Kotda Sangani  
Hadamtala, Rajkot 360 311  
Gujarat. India.

