

**India Forge & Drop Stampings Limited**

**61<sup>st</sup> Annual Report  
2020-2021**

**INDIA FORGE & DROP STAMPINGS LTD.**

**Notice for 61<sup>st</sup> Annual General Meeting**

**Through Video Conferencing (VC)/  
Other Audio-Visual Means (OAVM)**

**TUESDAY, 30<sup>TH</sup> NOVEMBER 2021**

# INDIA FORGE & DROP STAMPINGS LTD.

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## DIRECTORS

V. DWARAKANATH REDDY (Chairman)  
DIPAK RAJ SOOD (Vice-chairman, Whole-time Director)  
SAMIR SOOD  
RUPA SOOD  
AMARNATH LULLA (Independent Director)  
V. R. RAMAKRISHNAN (Independent Director)  
S.B.P. MADAN MOHAN  
GIRIDHAR KRISHNAN (Additional Director)

## AUDIT COMMITTEE

AMARNATH LULLA (CHAIRMAN)  
V. R. RAMAKRISHNAN  
RUPA SOOD

## NOMINATION AND REMUNERATION COMMITTEE

V. R. RAMAKRISHNAN (CHAIRMAN)  
AMARNATH LULLA  
RUPA SOOD

## CSR COMMITTEE

RUPA SOOD (CHAIRPERSON)  
DIPAK RAJ SOOD  
AMARNATH LULLA

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## AUDITORS

M/S CHACHAN & LATH LLP  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NUMBER: 0015012N)  
1308-09, BEST SKY TOWER,  
F-5, NETAJI SUBHASH PLACE,  
PITAMPURA, DELHI – 110034  
EMAIL: [info@chachanlath.in](mailto:info@chachanlath.in)

## BANKERS

HDFC BANK  
STATE BANK OF INDIA  
AXIS BANK  
BANK OF BARODA

## REGISTRAR & TRANSFER AGENT

M/S INTEGRATED ENTERPRISES INDIA LTD.  
5A, 5TH FLOOR, KENCES TOWERS,  
1, RAMAKRISHNA STREET, T. NAGAR,  
CHENNAI - 600 017  
PHONE: +91 44 28140801-03  
CIN: U65993TN1987PLC014964

## REGISTERED OFFICE

A1 J INDUSTRIAL AREA,  
MARAIMALAI NAGAR, KANCHEEPURAM,  
CHENNAI - 603209, TN  
E-MAIL: [INFO@INDIAFORGE.IN](mailto:INFO@INDIAFORGE.IN)  
WEBSITE: [WWW.INDIAFORGE.IN](http://WWW.INDIAFORGE.IN)  
CIN: U28910TN1960PLC004192

## PLANTS

FARIDABAD, PUNE, CHENNAI & RUDRAPUR

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## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that Sixty First Annual General Meeting of the Members of the Company will be held through Video Conferencing (VC)/ Other Audio-Visual means (OAVM) on Tuesday, November 30, 2021, at 03:00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited Financial Statements of the Company for the year ended March 31, 2021 including audited Balance Sheet as at March 31, 2021, Statement of Profit & Loss for the year ended on that date and the Cash Flow Statement for the year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon; (b) audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2021 and the Report of the Auditors thereon.
2. To re-appoint Mrs. Rupa Sood, Director of the Company who retires from office by rotation and being eligible, offers herself for re-appointment.
3. **To consider the re-appointment of M/s Chachan & Lath LLP, Chartered Accountants (Firm Registration Number: 0015012N) as Statutory Auditors.**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions under Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s Chachan & Lath LLP, Chartered Accountants (Firm Registration Number: 0015012N), be and is hereby appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of Sixty-Six Annual General Meeting at a remuneration and other terms as may be agreed upon by and between the Statutory Auditors and Board of Directors of the Company.”

**“RESOLVED FURTHER THAT** all of the directors of the Company be and are hereby severally authorized to inform M/s Chachan & Lath LLP, for their appointment and file the notice of the same with Registrar of Companies in the manner prescribed under the provisions of the Companies Act, 2013, read with the relevant rules prescribed there under, if required.”

### SPECIAL BUSINESS:

4. **Re-appointment of and revision in remuneration of Mr. Dipak Raj Sood as Whole-time Director (DIN: 01516073) of the Company and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Dipak Raj Sood (DIN: 01516073) as a Whole-time Director, designated as Vice-Chairman of the Company, who has attained age above 70 years for a further period of 3 (three) years from the expiry of his present term of office, that is, with effect from April 01, 2021 on a remuneration and upon such terms and conditions as set out in the statement annexed to the notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination & Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit.”

**“RESOLVED FURTHER THAT** in the event of the Company having no profits or inadequacy of profits during any financial year during his tenure of appointment, the above remuneration and perquisites shall be paid to Mr. Dipak Raj Sood, as the minimum remuneration subject to compliance of the applicable laws.”

**“RESOLVED FURTHER THAT** the Board of the Directors of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to these resolutions.”

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5. To regularize the appointment of Mr. Krishnan Giridhar (Additional Director) as Director of the Company 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 152, 161 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Krishnan Giridhar (DIN: 09188928), who was appointed as Additional Director of the Company on June 14, 2021 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation, with effect from the conclusion of this Annual General Meeting.”

“**RESOLVED FURTHER THAT** the all of the directors of the Company be and are hereby authorized severally to file necessary forms and documents with the Registrar of Companies, update statutory records and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution.”

**By Order of the Board**  
For India Forge & Drop Stampings Ltd.

Place: Delhi  
Date: November 07, 2021

**Dipak Raj Sood**  
Vice-Chairman, Whole-time Director  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

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## NOTES:

1. The Explanatory Statement for proposed special business(s) as mentioned in the aforesaid resolution(s) pursuant to the provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide its circular dated 5<sup>th</sup> May 2020, read with circulars dated 8th April 2020 and 13th April 2020, circular 33/2020 dated 28th September 2020 and circular 02/2021 dated 13th January, 2021 (collectively referred to as MCA Circulars) permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC)/other audio-visual means (OAVM). Hence, in compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for AGM shall be the registered office of the Company i.e. A1 J Industrial Area, Maraimalai Nagar, Kancheepuram, Chennai – 603209, TN.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members can attend the meeting through VC from their laptop/mobile. Members are requested to follow the steps mentioned under **‘INSTRUCTIONS FOR MEMBERS FOR JOINING THE MEETING’** which is a part of the Notice of the AGM.
5. The Company shall provide VC facility via **MICROSOFT TEAMS** in order to make it convenient for the members to attend the Meeting. Members are required to use the following link to join the AGM of the Company through VC facility of Teams on Tuesday, November 30, 2021, at 03:00 p.m. (Please note that this web link will be open before 15 minutes of the scheduled start of the meeting and will expire after 15 minutes of such start of the meeting.):

|                                     |   |
|-------------------------------------|---|
| <b>Microsoft Teams Meeting Link</b> | <a href="https://teams.microsoft.com/l/meetupjoin/19%3ameeting_NjMyZWE0NjEtODIxNy00NGM5LTjhjMjMtY2Y4MGY2NTYwNjEz%40thread.v2/0?context=%7b%22Tid%22%3a%22cf1af40-00be-4978-8113-222d4bc5253c%22%2c%22Oid%22%3a%22c5f0e9e8-2bad-471b-9893-102544e65534%22%7d">https://teams.microsoft.com/l/meetupjoin/19%3ameeting_NjMyZWE0NjEtODIxNy00NGM5LTjhjMjMtY2Y4MGY2NTYwNjEz%40thread.v2/0?context=%7b%22Tid%22%3a%22cf1af40-00be-4978-8113-222d4bc5253c%22%2c%22Oid%22%3a%22c5f0e9e8-2bad-471b-9893-102544e65534%22%7d</a> |
|-------------------------------------|---|

6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution/ Power of Attorney/ Letter of Authority pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting through email to **investors@indiaforge.in**.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the members at the Meeting in electronic mode. All documents referred to in the Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM on all working days, during business hours up to and on the date of the meeting. Members seeking to inspect such documents are required to send email to **investors@indiaforge.in**.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to submit their questions in advance, on or before November 25, 2021, through Company's email address i.e., **“investors@indiaforge.in”**. The same will be replied by the Company suitably.
9. Members may note that the notice will also be available on the Company's website **[www.indiaforge.in](http://www.indiaforge.in)**.
10. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Since, the AGM will be held through VC/ OAVM, the Route Map and Attendance Slip are not annexed in this Notice.
12. As per MCA circular, voting on the resolutions at the meeting through VC/OAVM will be done by show of hands if the number of members present in the meeting is less than 50 unless a demand for poll is made by any member in accordance with Section 109 of the Act.

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13. During the AGM through VC/OAVM, where a poll on any item is required, in such case the members shall cast their vote on the resolutions only at such stage on items considered in the AGM by sending email to [evote@indiaforge.in](mailto:evote@indiaforge.in) through their email address(es) registered with the Company/Depository Participant. The format of sending the vote if poll is demanded is as under:

The subject of email to be send by members for casting voting shall be, “61<sup>st</sup> AGM / <India Forge>/e-Voting/Agenda No \_\_”

| S. No. | Particulars             | Details |
|--------|-------------------------|---------|
| 1.     | Name of the Shareholder |         |
| 2.     | Postal address          |         |
| 3.     | Registered folio No     |         |

I hereby exercise my vote in respect of Ordinary and Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

| No. | Item No. | No. of shares held | I assent to the resolution | I dissent from the resolution |
|-----|----------|--------------------|----------------------------|-------------------------------|
|     |          |                    |                            |                               |

Also, kindly note:

- i) Members will be able to attend the AGM through VC / OAVM and vote on the resolutions by using their registered mail ID. The e-mail for casting vote by members is to be sent for each agenda item separately.
- ii) Members are requested to use only registered Email ID for voting during the time allotted for same. Votes casted by any other unregistered Email ID shall be considered as Invalid.
- iii) The Poll will take place only during the meeting, and the members may convey their assent or dissent only at such stage when the agenda items are considered at the Meetings by sending emails to the designated email address of the Company.
- iv) Once vote is casted on the resolution, the member will not be allowed to modify the vote.
- v) In case of multiple votes on the same resolution, the first one shall be counted for the purpose of counting Votes.

## **A. INSTRUCTIONS TO MEMBERS FOR JOINING THE MEETING**

1. Invitation link to join the meeting shall be shared by the Company.
2. Detailed instructions for the Members to join the meeting are given below:

### **OPTION 1:**

#### **Joining from Laptop or Computer (having access to webcam)**

**Step 1:** Shortly before the start of the meeting, use the link you have been sent on your email to join the teams meeting.

**Step 2:** The link will open an internet browser on this page. The easiest way to join is by clicking on “Join from the web browser” as shown below. You can also install the Microsoft Teams app from the following link:

<https://www.microsoft.com/en-in/microsoft-teams/download-app>

**Step 3:** By choosing join from web, you’ll be prompted to allow the site access to your microphone and camera. Click on the **Allow** button.

**Step 4:** You will be joining the meeting as a Guest, so enter your name and click “Join” without signing in. Alternatively, you may also login.

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## **OPTION 2:**

### **Joining from Mobile Phone**

**Step 1:** Download the Microsoft Teams App from the Application Store e.g., Google Play Store, iOS App Store, as applicable.

**Step 2:** Use the link you have been sent on your email to join the teams meeting.

**Step 3:** This will open the Microsoft Teams app click “Join as a Guest”, type in your name and click “Join Meeting.” Alternatively, you may also login.

3. Further, Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App or Desktop Application, as the case may be.

4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

## **B. OTHER INSTRUCTIONS:**

1. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM, will expire after 15 minutes of such start of the meeting and will be available for all the Members.

2. In case of any assistance before or during the video conference as aforesaid, you can contact us at [investors@indiaforge.in](mailto:investors@indiaforge.in).

## **EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS TO BE ANNEXED TO THE NOTICE TO THE MEMBERS OF THE COMPANY PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4**

The tenure of Mr. Dipak Raj Sood, Whole-time Director (designated as vice-chairman) of the Company expired on March 31, 2021. It is proposed to re-appoint him for a period of 3 years, from April 01, 2021, to March 31, 2024

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of his vast experience in the automobile industry, the Board of Directors of the Company at its meeting held on March 22, 2021 and March 30, 2021 respectively approved re-appointment of and revision in remuneration of Mr. Dipak Raj Sood as a Whole Time Director with effect from April 01, 2021 for the period from April 01, 2021 to March 31, 2024, subject to approval of the members of the Company. It is proposed to re-appoint him and approve his remuneration as Whole-time Director with the terms and conditions of his appointment as given below:

### **Salary, Allowances and Perquisites:**

Salary, Allowances and Perquisites (including benefits, facilities, and amenities): Rs. 4,50,00,000/- (Rupees Four Crore Fifty Lakh Only), with the authority granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include in Committee of Directors) to determine the remuneration including inter-se breakup thereof and grant increases from time to time not exceeding 20% per annum with approvals as may be required.

Allowances and Perquisites include furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, gas, electricity & power, water, furnishings, utility allowance, medical reimbursement, family holiday travel in India & overseas/allowances in lieu thereof, leave travel assistance/allowance, membership fees for clubs, hospitalization and accident insurance, security at residence and any other “allowance & perquisites” as per the policy/rules of the Company in force and /or as may be approved by the Board from time to time.

In addition to the above, he will also be entitled to the following perquisites and benefits as per policy/rules of the Company in force or as may be approved by Board from time to time:

- Company maintained one car (as per his choice) with driver. After three years from the date of purchase of the car, he may replace the car (as per his choice).



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- Infrastructure facilities at residence such as Telephone(s), Fax, Computers, Laptops, Video conference facility, internet, and broadband etc.
- Mobile phone(s), handheld e-mail devices.
- Company's contribution to Provident Fund and Superannuation Fund Schemes.
- Payment of Gratuity and other Retirement Benefits as per profit/rules of the Company.
- Encashment of leave as per policy of the Company.
- Long Service Award as per policy of the Company.

Allowance & Perquisites will be valued as per the Income Tax rules, wherever applicable and at actual cost to the Company in other cases.

In the event of the Company having no profits or inadequacy of profits during any financial year during his tenure of appointment the aforesaid remuneration shall be paid to Mr. Dipak Raj Sood, as the minimum remuneration subject to compliance of the applicable laws.

Section 196(3) of the Companies Act, 2013 inter alia, provides that no company shall continue the employment of a person who has attained the age of seventy years, as Managing Director, Whole -time Director or Manager unless it is approved by the members by passing a special resolution. The Board therefore recommends the special resolution as set out at item number 4.

Mr. Dipak Raj Sood may be deemed to be concerned or interested in the resolution as set in item no. 4. Mr. Samir Sood and Mrs. Rupa Sood, Directors of the Company, being relatives of Mr. Dipak Raj Sood, may be deemed to be concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the said resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013 and will be available for inspection at the Registered office of the Company by any Member of the Company on all working days between 10:00 a.m. and 5:00 p.m. till the date of the meeting.

The following additional information as required under sub-clause (B) of Section II of Part II of the Schedule V to the Companies Act, 2013 is given below.

## I. GENERAL INFORMATION:

|   |  |   |                |                |
|---|--|---|----------------|----------------|
| 1 | Nature of Industry.  | Company is engaged in manufacturing of automobile components. |                |                |
| 2 | Date or Expected Date of Commencement of Commercial Production.  | NA  |                |                |
| 3 | In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | NA  |                |                |
| 4 | Financial performance based on given indicators (Amount INR Lakhs)   | <b>Particulars</b>  | <b>2020-21</b> | <b>2019-20</b> |
|   |  | Total Income  | 14,829         | 12,477         |
|   |  | Profit Before Tax, Finance Cost and Depreciation              | 1,139          | 475            |
|   |  | Depreciation  | 312            | 302            |
|   |  | Finance cost  | 2              | 4              |
|   |  | Profit Before Tax   | 825            | 169            |
|   |  | Tax   | 212            | 84             |
|   |  | Profit After Tax  | 613            | 85             |
|   |  | Equity Capital (face value Rs. 10)                            | 298            | 298            |

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|   |   |   |                |                |
|---|---|---|----------------|----------------|
|   |   | Earnings per Share (Rs.)  | 20.58          | 2.86           |
| 5 | Export performance based on given indicators (Amount INR Lakhs) | <b>Particulars</b>  | <b>2020-21</b> | <b>2019-20</b> |
|   |   | <b>Earning:</b>   |                |                |
|   |   | FOB value of exports  | 1,823          | 1,498          |
|   |   | <b>Outgo:</b>   |                |                |
|   |   | Travelling expenses   | 3              | 84             |
|   |   | Import of professional services                                     | 7              | 0              |
|   |   | Import of Consumable Goods  | 0              | 0              |
| 6 | Foreign Investments or Collaborators, if any.                   | The Company did not have any foreign investments or collaborations. |                |                |

### INFORMATION ABOUT THE APPOINTEE:

**Background details:** Mr. Dipak Raj Sood, aged about 79 years has a bachelor's degree in commerce from St. Xavier's College, Kolkata. He has been serving and is an associate with various industrial associations like ACMA, CII and AIFI. He served as President of AIFI (Association of Indian Forging Industry) for the year 1996-97.

**Past Remuneration:** The details of past remuneration are as follows: Gross Salary Rs. 3.75 crore per annum (including perquisites & allowances).

**Position Held:** Vice-Chairman of India Forge & Drop Stampings Limited.

**Job Profile and his suitability:** Mr. Dipak Raj Sood is Whole-time Director designated as Vice Chairman of the Company. Mr. Sood has over 59 years of experience in the forging and automobile component manufacturing & defence industry. He has helped his family enterprise; 'the India Forge group' expand from one plant to over four locations in Chennai, Pune, Faridabad and Rudrapur. He has been managing the affairs of the Company successfully and the Company has made substantial progress during his tenure as a Managing Director/Vice-Chairman.

He has been guiding the Company for more than four decades and has immensely contributed to the growth of the Company. Having regard to the significant contribution made by Mr. Sood to the progress and development of the Company, it would be in the best interest of the Company to re-appoint him with the terms & conditions as above mentioned.

**Remuneration Proposed:** The details of the proposed remuneration are disclosed above.

**Comparative Remuneration profile:** Taking into consideration the size of the Company, the profile, knowledge, skills, and responsibilities shouldered by Mr. Dipak Raj Sood, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other Companies.

**Pecuniary relationship directly or indirectly with the company:** Mr. Dipak Raj Sood does not have any pecuniary relationship directly or indirectly with the Company other than the remuneration received/ receivable by him and that being a promoter and holding 14,33,516 equity shares in the Company.

### OTHER INFORMATION:

|   |  |
|---|--|
| 1.Reasons for loss or inadequate profits              | Managing growth and price stability are the major challenges of macroeconomic policy making. Your company has taken steps to mitigate the challenge and improved the turnover and profitability during the past 3 years. Considering the eventuality of inadequate profit, approval of the members is obtained for payment of minimum remuneration, if required. |
| 2.Steps taken or proposed to be taken for improvement | The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The Company has also strategically planned to address the issue of capacity building, productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.              |

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|   |   |
|---|---|
| 3.Expected increase in productivity and profits in measurable terms | The Company has taken various initiatives to increase capacity, and improve productivity, market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. |
|---|---|

## ITEM NO. 5

Mr. Krishnan Giridhar (DIN: 09188928) was appointed as an Additional Director of the Company with effect from June 14, 2021, by the Board of Directors in accordance with the provision of section 161 of the Companies Act, 2013.

In terms of Section 161(1) of the Act, Mr. Krishnan Giridhar (DIN: 09188928), hold office up to the date of the ensuing Annual General Meeting of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee are of the view that the appointment of Mr. Krishnan Giridhar (DIN: 09188928), as Director will be beneficial to the operations of the Company and hence said resolution is being placed before the members for their approval.

Save and except Mr. Krishnan Giridhar, to the extent of shareholding interest of holding 100 equity shares in the Company and being a director, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the said resolution.

The Board recommends the resolution set forth in item No.5 for the approval of the members.

**By Order of the Board**  
For India Forge & Drop Stampings  
Limited

Place: Delhi  
Date: November 07, 2021

**Dipak Raj Sood**  
Vice-Chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

# INDIA FORGE & DROP STAMPINGS LTD.

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors are pleased to present the 61<sup>st</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

### 1. COMPANY PERFORMANCE

The Company has achieved revenue from operations of Rs. 14,354 Lakhs for the year with an increase of 18.32% over the last year. Profit after tax for the current year also increased to Rs. 764 lakhs from Rs. 85 lakhs in the previous year. The profit for the current year includes profit of Rs.294 lakhs (previous year Rs.27 lakhs) on sale of some old plant and machineries.

### 2. FINANCIAL HIGHLIGHTS

| Particulars                             | (₹ IN LAKHS) |            |
|---|--------------|------------|
|   | 31-03-2021   | 31-03-2020 |
| Revenue from operations                 | 14,354       | 12,132     |
| EBDITA                                  | 1,139        | 475        |
| Interest                                | 2            | 4          |
| Depreciation                            | 312          | 302        |
| Profit/(Loss) before taxation           | 825          | 169        |
| Provision for taxation for current year | 138          | 42         |
| Deferred tax expense/(saving)           | 75           | 30         |
| Mat credit entitlement                  | (1)          | (12)       |
| Profit/(Loss) after taxation            | 613          | 85         |
| Earlier year tax                        | 0            | 0          |
| Balance brought forward                 | 3,536        | 3,451      |
| Profit available for appropriation      | 4,149        | 3,536      |
| Surplus carried to Balance Sheet        | 4,149        | 3,536      |

### 3. BUSINESS OUTLOOK AND REVIEW

2020-21 has been yet another challenging year for everyone. Despite extraordinary circumstances created by the pandemic, the Company has witnessed increased growth when compared to the previous financial year. Sales went up moderately by approximately Rs.22 Crores this year due to the post lockdown revival in the automobile industry helped by unprecedented government stimulus in India and all around the world. The Company is very grateful for these results, especially in the current scenario and the continued trust from the esteemed Customers has provided a structured fillip to the overall performance of the Company.

Residual effects of the global supply chain disruptions caused during the peak pandemic times have resulted in an increase in input costs for the Company which does reflect in the subdued profits in comparison to sales. However, the Company is working with its supply partners and Customers to ensure that the inflation load is evenly shared throughout the supply chain system.

The shifting preferences towards electric vehicles (EV) will have far reaching implications for the Company's supply chain infrastructure and operations. An entire overhaul of the existing platform may be the demand going ahead and this will be a huge undertaking to be fulfilled by the Company. As the EV technology is currently incipient, sizable investments may be required in R&D and product development for this platform. The Company at present is not equipped to position itself as a suitable contender to cater to this market and the path leading towards this change is something that will have to be trodden with extraordinary levels of deliberations and determination.

The Company took steps to ensure that employees and workmen, who form a backbone to the very existence of the Company, are vaccinated against COVID in a seamless and fastidious manner to establish a safe working environment inside the Company premises while adhering to committed timelines for supplies to Customers. The Company is pleased to let you know that no severe disruptions were caused to the Customer supply schedules throughout the year.

# INDIA FORGE & DROP STAMPINGS LTD.

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Your directors would like to pay tributes to all those who have lost their lives during the COVID-19 pandemic all over India and across the globe. Thoughts go out especially to the India Forge employees who have lost loved ones during these difficult times.

## **4. DIVIDEND**

The Board of Directors does not recommend any dividend on Equity Shares of the Company for the financial year ended March 31, 2021.

## **5. TRANSFER TO RESERVE**

The Directors have decided not to transfer any amount out of profits to any reserve account.

## **6. DEPOSITS**

The Company has not accepted any public deposits during the year within the meaning of section(s) 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 as amended and as such no amount on account of principle or interest on public deposits was outstanding as on the date of Balance Sheet.

## **7. CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the financial year ended March 31, 2021.

## **8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

## **9. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

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

## **10. DIRECTORS**

Mrs. Rupa Sood (DIN: 01310946), Director of the Company, retires by rotation from the Board under Article 138 of the Article of Association of the Company and applicable provisions of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The Board of Directors want to regularize the appointment of Mr. Krishnan Giridhar as Director of the Company. Mr. Krishnan Giridhar has requisite experience and expertise in running successful business operations. The members' approval is sought towards the regularization of Mr. Krishnan Giridhar as Director of the Company. Detailed resolutions seeking members' approval for his regularization forms part of the AGM Notice.

## **11. KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, Mr. Dipak Raj Sood (DIN: 01516073), Vice-Chairman, Whole-time Director is the Key Managerial Personnel of the Company.

Mr. Amarnath Lulla and Mr. V. R. Ramakrishnan are the Independent Directors of the Company.

In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management and possess requisite qualifications, expertise, and experience.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

## **12. BOARD EVALUATION**

In terms of the requirement of the Act, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees. During the year

# INDIA FORGE & DROP STAMPINGS LTD.

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under review, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its committees. The exercise was led by the Chairman of Board along with the Nomination and Remuneration Committee. The NRC has defined the evaluation criteria, procedure, and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

## 13. CHANGES IN SHARE CAPITAL

There are no changes in share capital of the Company during the year under review.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable Accounting Standards read with requirement set out under Schedule III to the Act, have been followed and there were no material departures from the same;
- (ii) such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual financial statements have been prepared on a going concern basis.
- (v) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 15. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other businesses. The Board of Directors meets at least once in every quarter and as and when required at other times.

During the financial year ended March 31, 2021, six (6) Board Meetings were held i.e., on June 04, 2020, August 25, 2020, September 30, 2020, December 02, 2020, March 22, 2021, and March 30, 2021, respectively.

The names of members of the Board, their attendance at the Board Meetings is as under:

| Name of Directors          | Number of Meetings attended/Total Meetings held during the year |
|----------------------------|---|
| Dwarakanath Reddy Varanasi | 2/6   |
| Dipak Raj Sood             | 6/6   |
| Rupa Sood                  | 6/6   |
| Amarnath Lulla             | 4/6   |
| V. R. Ramakrishnan         | 4/6   |
| Samir Sood                 | 6/6   |
| SBP Madan Mohan            | 4/6   |

## 16. DISCLOSURES RELATED TO COMMITTEES

### Audit Committee:

As per Section 177 of the Companies Act, 2013 and Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 constitution of Audit Committee applicable to the Company. The composition of audit committee is as follows:

# INDIA FORGE & DROP STAMPINGS LTD.

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1. Amarnath Lulla
2. V. R. Ramakrishnan
3. Rupa Sood

During the year, the members of Audit Committee met 4 (four) times on June 04, 2020, August 25, 2020, December 02, 2020, and March 30, 2021 respectively.

## **Nomination and Remuneration Committee:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is applicable to the Company. The composition of Nomination and Remuneration Committee is as follows:

1. V. R. Ramakrishnan
2. Amarnath Lulla
3. Rupa Sood

During the year, the members of Nomination and Remuneration Committee met 2 (two) times on March 22, 2021 and March 30, 2021 respectively.

## **Stakeholders Relationship Committee:**

The provisions of Section 178(5) relating to constitution of Stakeholders Relationship Committee are not applicable to the Company.

## **Corporate Social Responsibility Committee:**

For the financial year 2020-2021, the provisions of Section 135(2) relating to constitution of Corporate Social Responsibility Committee are applicable to the Company. The composition of CSR committee is as follows:

1. Rupa Sood
2. Dipak Raj Sood
3. Amarnath Lulla

During the year, the members of Corporate Social Responsibility Committee met 2 (two) times on June 04, 2020, and March 22, 2021, respectively.

However, The Ministry has notified the amendments in Section 135 of the Act as well in the CSR Rules on 22nd January 2021. Accordingly, where the amount required to be spent by a company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the Company. In the light of the said notification, from the financial year 2021-2022 onwards, the functions of the CSR committee will be discharged by the Board of Directors of the Company.

## **17. INTERNAL CONTROLS**

The Company's internal financial control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal control procedures have been planned and designed to provide reasonable assurance of compliance with various policies, practices, and statutes in keeping with the organization's pace of growth and achieving its objectives efficiently and economically.

## **18. AUDITORS AND AUDITOR'S REPORT**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s Chachan & Lath LLP, Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s Chachan & Lath LLP as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the re-appointment of M/s Chachan & Lath LLP, Chartered Accountants (Firm Registration Number: 0015012N) as the Statutory Auditors of the

# INDIA FORGE & DROP STAMPINGS LTD.

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Company pursuant to Section 139 of the Companies Act, 2013 for the period from the conclusion of this Annual General Meeting till the conclusion of 66<sup>th</sup> Annual General Meeting of the Company.

Further, M/s Chachan & Lath LLP have, under section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

Further, the report of the Statutory Auditors along with Notes on Financial Statements is enclosed to this report. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

The Auditor's Report does not contain any qualification, reservation, or adverse remark.

## **Internal Auditor**

The Company is not required to appoint internal auditors as required under section 138 of Companies Act, 2013 and rule 13 of the Companies (Accounts) Rules, 2014 as amended.

## **Secretarial Auditor**

The Company is not required to appoint secretarial auditors as required under section 204 of Companies Act, 2013.

## **Reporting of frauds by Auditors**

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

## **19. SUBSIDIARY COMPANY**

In view of section 129(3) of the Companies Act, 2013, a statement containing the salient feature of the financial statements of India Forge Auto Products Pvt. Ltd., 100% subsidiary of the Company have been annexed in Form AOC-1 as Annexure-I and forming part of this report.

## **20. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 and Accounting Standard (AS)-21 "Consolidated Financial Statements", the audited Consolidated Financial Statements form part of Annual Report of the Company. The Financial Statements of subsidiary company have been prepared in the same form and manner as that of the holding company.

## **21. RISK MANAGEMENT POLICY**

The Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across the Company, that seek to minimize the adverse impact on business objectives and capitalize on opportunities. The Company's success as an organization largely depends on its ability to identify such opportunities and leverage them while mitigating the risks that arise while conducting its business.

## **22. INDUSTRIAL RELATION AND SAFETY**

Industrial relations remained cordial throughout the year. Your directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts, and contribution of all the employees in the growth and performance of the Company during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plants and facilities to maintain high awareness levels. The Company is conscious of the importance of environmentally clean and safe operations to ensure safety of all concerned and compliance of applicable environmental regulations. The Company as a policy re-evaluates safety standards and practices from time to time to raise the bar of safety standards for its people as well as users and customers.

## **23. RECOGNITION**

The Company's manufacturing facilities continue to remain certified by independent and reputed external agencies as being compliant as well as aligned with external standards for Quality Management System ISO 9001:2015, IATF 16949:2016,



# INDIA FORGE & DROP STAMPINGS LTD.

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Environmental Management Standard ISO 14001:2015 and Indian Boilers Registration. During the years, the audits for these certificates have established continuous improvement in performance against these standards.

## **24. DECLARATION BY THE INDEPENDENT DIRECTORS**

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013, from both the Independent Directors (IDs) of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with rules framed there under. Separate meeting of the Independent Directors was held on January 11, 2021.

## **25. NOMINATION AND REMUNERATION POLICY**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) deals with the manner of selection of Directors of the Company. The NRC recommends appointment or re-appointment of Directors, Whole-time Directors and Managing Director based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC in addition to ensuring diversity of race and gender also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise.

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has also adopted the Remuneration Policy for the members of the Board and Executive Management. The said policy earmarks the principle of remuneration and ensures a well-balanced and performance related compensation package considering shareholders' interest, industry practices and relevant corporate regulations in India.

## **26. DISCLOSURES**

### **Conservation of energy, technology absorption, foreign exchange, and outgo**

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the requirements of section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended are given in Annexure-II to this report.

### **Annual Return**

Extract of Annual Return in terms of the requirement of section 134(3)(a) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended in the prescribed form is given as Annexure-III to this report.

### **Particulars of Employees**

A statement containing the Information of top ten employees in terms of remuneration drawn and particulars of every employee of the Company, who was in receipt of remuneration not less than the limits specified under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto, is annexed to this Board's Report and marked as Annexure-IV.

### **Details of loans / guarantees / investments made under section 186 of the Companies Act, 2013**

There are no loans and guarantees given by Company which are covered under section 186(4) of the Companies Act, 2013. Investments made are given under Note 10 & Note 12 of the Notes on Financial Statements.

### **Details of acceptance of loans and advances from Directors and relatives of Directors**

During the year under review, the Company has not accepted any loan from directors and their relatives.

### **Details of related party transactions under section 188 of the Companies Act, 2013**

All transactions entered with Related Parties during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the Company at large. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure-V in Form No. AOC-2 and the same forms part of this report.

# INDIA FORGE & DROP STAMPINGS LTD.

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## **Transfer to the Investor Education and Protection Fund**

There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

## **Maintenance of Cost Records**

The Central Government has prescribed maintenance of cost records under Section 148(1), of the Companies Act, 2013, for forgings, one of the Company's products. The Company has maintained proper records and accounts of the same.

## **Policy on prevention of sexual harassment at workplace**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made there under. The Company has also constituted an Internal Committee to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no complaints were received by internal committee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **27. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Corporate Social Responsibility ('CSR') continued to be integral part of the business journey of the Company. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-VI of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy is available on the Company's website i.e., [www.indiaforge.in](http://www.indiaforge.in).

## **28. ESTABLISHMENT OF VIGIL MECHANISM**

As per Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 establishment of Vigil Mechanism is not applicable to our Company.

## **29. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

## **30. APPLICATIONS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

There are neither any applications made by the Company nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

## **31. APPRECIATION AND ACKNOWLEDGEMENT**

The Directors hereby acknowledge the dedicated and loyal services rendered by the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, Government authorities, business partners, shareholders, and other stakeholders without whom the overall satisfactory performance would not have been possible.

**By Order of the Board**

For India Forge & Drop Stampings Limited

**Dipak Raj Sood**

Vice-Chairman (Whole-time Director)  
(DIN: 01516073)

Address: G-10, Maharani Bagh  
New Delhi-110065

**Samir Sood**

Director  
(DIN: 02627166)

Address: G-10, Maharani Bagh  
New Delhi-110065

Place: Delhi

Date: November 07, 2021

# INDIA FORGE & DROP STAMPINGS LTD.

## ANNEXURE-I TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

Statement pursuant to Section 134 of the Companies Act, 2013  
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures

(Amount in ₹)

| Name of the Subsidiary Companies   | India Forge Auto Products Pvt. Ltd.    |
|--|--|
| Reporting period   | Financial year ended on March 31, 2021 |
| Share Capital  | 10,00,000                              |
| Reserves & Surplus   | 59,826                                 |
| Total Assets   | 12,09,691                              |
| Total liabilities (excluding Share Capital and Reserves)                     | 1,49,865                               |
| Investments  | 10,39,000                              |
| Turnover   | -                                      |
| Profit/(Loss) before taxation  | 2,25,288                               |
| Provisions for taxation (including earlier year tax)                         | 21,485                                 |
| Profit/(Loss) after taxation   | 2,03,803                               |
| Proposed Dividend  | -                                      |
| % of shareholding  | 100%                                   |
| Names of the Subsidiaries which are yet to commence operations               | India Forge Auto Products Pvt. Ltd.    |
| Names of the subsidiaries which have been liquidated or sold during the year | NA                                     |

## ANNEXURE-II TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

**DISCLOSURE OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

### A. Conservation of Energy:

The Company has a well-structured energy management system in place and regular efforts are made to optimize process parameters and energy conservation. Additionally, while undertaking modernization and technological upgradation of production facilities, due consideration is also given in selection of plant and equipment which conforms to the best-in-class energy conservation parameters.

- I. The steps taken or impact on conservation of energy: Conservation of energy is a continuous process. Continuous efforts are being made through investments to improve efficiency and savings on power consumption. Consumption of diesel, furnace oil, PNG gas and power are closely monitored to conserve energy.
- II. The steps taken by the Company for utilizing alternate sources of energy: Nil
- III. The capital investment on energy conservation equipment: Capital expenditure has not been accounted for separately.

# INDIA FORGE & DROP STAMPINGS LTD.

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## B. Technology absorption:

- I. The efforts made towards technology absorption: Nil
- II. The benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil
- IV. The expenditure incurred on Research and Development: Nil

## C. Foreign exchange earnings and outgo:

Details of foreign exchange earnings and outgo are contained in Note 26(14) of the Notes on Financial Statements.

**By order of the Board**  
For India Forge & Drop Stampings Limited

Date: November 07, 2021  
Place: Delhi

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

**India Forge & Drop Stampings Ltd.**  
**Annexure-III to Directors' Report for the financial year ended on March 31, 2021**  
**FORM MGT 9**

**EXTRACT OF ANNUAL RETURN**

Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

|   |  |   |
|---|--|---|
| 1 | CIN  | U28910TN1960PLC004192   |
| 2 | Registration Date  | 6/27/1960   |
| 3 | Name of the Company  | India Forge & Drop Stampings Ltd.   |
| 4 | Category/Sub-category of the Company                                       | Public Company/Unlisted   |
| 5 | Address of the Registered office & contact details                         | A1 J Industrial Area, Maraimalai Nagar, Kancheepuram, Chennai- 603209, TN Old Mahabalipuram Road, Chennai, Tamilnadu - 600096 |
| 6 | Whether listed company   | No  |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s Integrated Enterprises India Ltd., 5A, 5th Floor, Kences Towers, 1, Ramakrishna Street, T. Nagar, Chennai - 600 017       |

**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)

| SN | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|----|--|---------------------------------|------------------------------------|
| 1  | Automobile Components                            | 4027                            | 93.31%                             |

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

| SN | Name and address of the Company           | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---|-----------------------|--------------------------------|------------------|--------------------|
| 1  | India Forge Auto Products Private Limited | U34100TN2012PTC084926 | Subsidiary                     | 100              | 2(87)              |

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(f) Category-wise Shareholding**

| Category of Shareholders   | No. of Shares held at the beginning of the year |           |           |                   | No. of Shares held at the end of the year |           |           |                   | % Change during the year |
|--|---|-----------|-----------|-------------------|---|-----------|-----------|-------------------|--------------------------|
|  | Demat   | Physical  | Total     | % of Total Shares | Demat                                     | Physical  | Total     | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |           |           |                   |   |           |           |                   |                          |
| <b>(1) Indian</b>  |   |           |           |                   |   |           |           |                   |                          |
| a) Individual/ HUF   | 888,158   | 1,976,753 | 2,864,911 | 96.18%            | 888,158                                   | 1,976,753 | 2,864,911 | 96.18%            | 0.00%                    |
| b) Central Govt  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| c) State Govt(s)   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| d) Bodies Corp.  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| e) Banks / FI  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| f) Any other   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (1)</b>   | 888,158   | 1,976,753 | 2,864,911 | 96.18%            | 888,158                                   | 1,976,753 | 2,864,911 | 96.18%            | 0.00%                    |
| <b>(2) Foreign</b>   |   |           |           |                   |   |           |           |                   |                          |
| a) NRI Individuals   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| b) Other Individuals   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| c) Bodies Corp.  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| d) Any other   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (2)</b>   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| <b>TOTAL (A)</b>   | 888,158   | 1,976,753 | 2,864,911 | 96.18%            | 888,158                                   | 1,976,753 | 2,864,911 | 96.18%            | 0.00%                    |
| <b>B. Public</b>   |   |           |           |                   |   |           |           |                   |                          |
| <b>I. Institutions</b>   |   |           |           |                   |   |           |           |                   |                          |
| a) Mutual Funds  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| b) Banks / FI  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| c) Central Govt  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| d) State Govt(s)   | -   | 71,179    | 71,179    | 2.39%             | -   | 71,179    | 71,179    | 2.39%             | 0.00%                    |
| e) Venture Capital Funds   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| f) Insurance Companies   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| g) FIs   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| h) Foreign Venture Capital Funds   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| i) Others (specify)  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| <b>Sub-total (B)(I):-</b>  | -   | 71,179    | 71,179    | 2.39%             | -   | 71,179    | 71,179    | 2.39%             | 0.00%                    |
| <b>2. Non-Institutions</b>   |   |           |           |                   |   |           |           |                   |                          |
| a) Bodies Corp.  |   |           |           |                   |   |           |           |                   |                          |
| i) Indian  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| ii) Overseas   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| b) Individuals   |   |           |           |                   |   |           |           |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 42,613  | 100       | 42,713    | 1.43%             | 42,613                                    | 100       | 42,713    | 1.43%             | 0.00%                    |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| c) Others (specify)  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| Non Resident Indians   | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |
| Overseas Corporate Bodies  | -   | -         | -         | 0.00%             | -   | -         | -         | 0.00%             | 0.00%                    |

|  |         |           |           |         |         |           |           |         |       |
|--|---------|-----------|-----------|---------|---------|-----------|-----------|---------|-------|
| Foreign Nationals                                      |         |           | -         | 0.00%   |         |           | -         | 0.00%   | 0.00% |
| Clearing Members                                       |         |           | -         | 0.00%   |         |           | -         | 0.00%   | 0.00% |
| Trusts   |         |           | -         | 0.00%   |         |           | -         | 0.00%   | 0.00% |
| Foreign Bodies - D R                                   |         |           | -         | 0.00%   |         |           | -         | 0.00%   | 0.00% |
| <b>Sub-total (B)(2):-</b>                              | 42,613  | 100       | 42,713    | 1.43%   | 42,613  | 100       | 42,713    | 1.43%   | 0.00% |
| <b>Total Public (B)</b>                                | 42,613  | 71,279    | 113,892   | 3.82%   | 42,613  | 71,279    | 113,892   | 3.82%   | 0.00% |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> |         |           | -         | 0.00%   |         |           | -         | 0.00%   | 0.00% |
| <b>Grand Total (A+B+C)</b>                             | 930,771 | 2,048,032 | 2,978,803 | 100.00% | 930,771 | 2,048,032 | 2,978,803 | 100.00% | 0.00% |

**(ii) Shareholding of Promoters**

| SN | Shareholder's Name | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
|    |                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | Dipak Raj Sood     | 1,433,616                                 | 48.13%                           | -   | 1,433,516                           | 48.12%                           | -  | -0.0070%                                 |
| 2  | Rupa Sood          | 1,430,895                                 | 48.04%                           | -   | 1,430,895                           | 48.04%                           | -  | 0.0000%                                  |
| 3  | Dipak Raj Sood HUF | 100                                       | 0.0034%                          | -   | 100                                 | 0.0034%                          | -  | 0.0000%                                  |
| 4  | Ranjit Abraham     | 100                                       | 0.0034%                          | -   | 100                                 | 0.0034%                          | -  | 0.0000%                                  |
| 5  | Mandip Malik       | 100                                       | 0.0034%                          | -   | 100                                 | 0.0034%                          | -  | 0.0000%                                  |
| 6  | Suresh Kumar       | 100                                       | 0.0034%                          | -   | 100                                 | 0.0034%                          | -  | 0.0000%                                  |
| 7  | S.B.P Madan Mohan  | -   | 0.0000%                          | -   | 100                                 | 0.0034%                          | -  | 0.0000%                                  |

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

| SN | Name of Shareholder | Date       | Reason      | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|---------------------|------------|-------------|---|-------------------|---|-------------------|
|    |                     |            |             | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Dipak Raj Sood      | 10/22/2020 | Transferred | 1,433,616                                 | 48.13%            | 1,433,516                               | 48.12%            |
| 2  | S.B.P Madan Mohan   | 10/22/2020 | Acquired    | 0   | 0.00%             | 100                                     | 0.00%             |

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

| SN | Name of the Shareholder                           | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|---|------|--------|---|-------------------|---|-------------------|
|    |   |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Tamil Nadu Industrial Investment Corporation Ltd. |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 71,179                                    | 2.39%             | 71,179                                  | 2.39%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 71,179                                    | 2.39%             | 71,179                                  | 2.39%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 2  | Girdhari Gaurishankar Nanglia                     |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 4,000                                     | 0.13%             | 4,000                                   | 0.13%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 4,000                                     | 0.13%             | 4,000                                   | 0.13%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 3  | Bharat Javantilal Patel                           |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 3,260                                     | 0.11%             | 3,260                                   | 0.11%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 3,260                                     | 0.11%             | 3,260                                   | 0.11%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 4  | Jitendra Mansukhlal Parekh                        |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 2,500                                     | 0.08%             | 2,500                                   | 0.08%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 2,500                                     | 0.08%             | 2,500                                   | 0.08%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 5  | Vinodchandra Mansukhlal Parekh                    |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 2,500                                     | 0.08%             | 2,500                                   | 0.08%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 2,500                                     | 0.08%             | 2,500                                   | 0.08%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 6  | M G Electronics Limited                           |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | Changes during the year                           |      |        | 2,022                                     | 0.07%             | 2,022                                   | 0.07%             |
|    | At the end of the year                            |      |        | 2,022                                     | 0.07%             | 2,022                                   | 0.07%             |
|    | Changes during the year                           |      |        | 2,022                                     | 0.07%             | 2,022                                   | 0.07%             |
| 7  | Sanjay Amilal Shah                                |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 2,004                                     | 0.07%             | 2,004                                   | 0.07%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 2,004                                     | 0.07%             | 2,004                                   | 0.07%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 8  | Francis Anslem Dsouza                             |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 1,505                                     | 0.05%             | 1,505                                   | 0.05%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 1,505                                     | 0.05%             | 1,505                                   | 0.05%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 9  | Trupti Sanjay Shah                                |      |        |   |                   |   |                   |
|    | At the beginning of the year                      |      |        | 1,336                                     | 0.04%             | 1,336                                   | 0.04%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year                            |      |        | 1,336                                     | 0.04%             | 1,336                                   | 0.04%             |
|    | Changes during the year                           |      |        | -   | 0.00%             | -                                       | 0.00%             |

|    |                              |  |  |       |       |       |       |
|----|------------------------------|--|--|-------|-------|-------|-------|
| 10 | Rajesh Bhogilal Shah         |  |  |       |       |       |       |
|    | At the beginning of the year |  |  | 1,316 | 0.04% | 1,316 | 0.04% |
|    | Changes during the year      |  |  | -     | 0.00% | -     | 0.00% |
|    | At the end of the year       |  |  | 1,316 | 0.04% | 1,316 | 0.04% |
|    | Changes during the year      |  |  | -     | 0.00% | -     | 0.00% |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date       | Reason   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|--|------------|----------|---|-------------------|---|-------------------|
|    |  |            |          | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Rupa Sood  |            |          |   |                   |   |                   |
|    | At the beginning of the year                                     |            |          | 1,430,895                                 | 48.04%            | 1,430,895                               | 48.04%            |
|    | Changes during the year  |            |          |   |                   |   |                   |
|    | At the end of the year   |            |          | 1,430,895                                 | 48.04%            | 1,430,895                               | 48.04%            |
| 2  | Dipak Raj Sood   |            |          |   |                   |   |                   |
|    | At the beginning of the year                                     |            |          | 1,433,616                                 | 48.13%            | 1,433,616                               | 48.13%            |
|    | Changes during the year  | 10/22/2020 | Transfer | 100                                       | 0.0034%           | 100                                     | 0.0034%           |
|    | At the end of the year   |            |          | 1,433,516                                 | 48.12%            | 1,433,516                               | 48.12%            |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amount in Rs.)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 2,312,724                        |                 |          | 2,312,724          |
| ii) Interest due but not paid                              |                                  |                 |          | -                  |
| iii) Interest accrued but not due                          |                                  |                 |          | -                  |
| <b>Total (i+ii+iii)</b>                                    | 2,312,724                        | -               | -        | 2,312,724          |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition   | -                                |                 |          | -                  |
| * Reduction  | 2,312,724                        |                 |          | 2,312,724          |
| Net Change   | (2,312,724)                      |                 |          | 2,312,724          |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | -                                |                 |          | -                  |
| ii) Interest due but not paid                              |                                  |                 |          | -                  |
| iii) Interest accrued but not due                          |                                  |                 |          | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |

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

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

| SN | Particulars of Remuneration   | Name of MD/WTD/ Manager             |            | Total Amount |
|----|---|-------------------------------------|------------|--------------|
|    |   | Dipak Raj Sood                      |            |              |
|    |   | Vice-Chairman - Whole time Director |            | (Rs.)        |
| 1  | Gross salary  |                                     |            |              |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                     | 37,500,000 | 37,500,000   |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                     |            | -            |
|    | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                                     |            | -            |
| 2  | Stock Option  |                                     |            | -            |
| 3  | Sweat Equity  |                                     |            | -            |
| 4  | Commission  |                                     |            | -            |
|    | - as % of profit  |                                     |            | -            |
|    | - others, specify   |                                     |            | -            |
| 5  | Others, please specify (EPI)  |                                     | 1,800,000  | 1,800,000    |
|    | Total (A)   |                                     | -          | 39,300,000   |
|    | Ceiling as per the Act  |                                     | NA         |              |

**B. Remuneration to other Directors**

| SN | Particulars of Remuneration                | Name of Directors |     |   | Total Amount |
|----|--|-------------------|-----|---|--------------|
|    |  |                   |     |   |              |
|    |  |                   |     |   | (Rs./Lac)    |
| 1  | Independent Directors                      |                   |     |   |              |
|    | Fee for attending board/committee meetings |                   |     |   |              |
|    | Commission                                 |                   |     |   |              |
|    | Others, please specify                     |                   |     |   |              |
|    | Total (1)                                  | -                 | -   | - | -            |
| 2  | Other Non-Executive Directors              |                   | NIL |   |              |
|    | Fee for attending board committee meetings |                   |     |   |              |
|    | Commission                                 |                   |     |   |              |
|    | Others, please specify                     |                   |     |   |              |
|    | Total (2)                                  | -                 | -   | - | -            |
|    | Total (B)=(1+2)                            | -                 | -   | - | -            |
|    | Total Managerial Remuneration              |                   |     |   |              |
|    | Overall Ceiling as per the Act             |                   |     |   |              |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| S. No. | Particulars of Remuneration   | Name of Key Managerial Personnel |     |     | Total Amount<br>(Rs/Lac) |
|--------|---|----------------------------------|-----|-----|--------------------------|
|        |   | Name                             | CEO | CFO |                          |
| 1      | Gross salary  |                                  |     |     |                          |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                  |     |     | -                        |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                  |     |     | -                        |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                                  | NIL |     | -                        |
| 2      | Stock Option  |                                  |     |     | -                        |
| 3      | Sweat Equity  |                                  |     |     | -                        |
| 4      | Commission<br>- as % of profit<br>- others, specify                                 |                                  |     |     | -                        |
| 5      | Others, please specify  |                                  |     |     | -                        |
|        | Total   |                                  |     |     | -                        |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

On behalf of the Board

Place: Delhi  
Dated: November 07, 2021

**Dipak Raj Sood**  
Vice Chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065



# INDIA FORGE & DROP STAMPINGS LTD.

## Annexure-IV to Directors' Report for the financial year ended on March 31, 2021

Information as per Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended on March 31, 2021

Employed for the financial year and in receipt of remuneration at a rate which was not less than ₹1.02 Crore per annum.

| SN. | Name of Employee   | Designation / Nature of Duties     | Gross Remuneration (₹ in Lakhs) | Qualification | Experience in years | Date of Commencement of Employment | Age of Employee (in years) | Last Employment held before joining the Company |
|-----|--------------------|------------------------------------|---------------------------------|---------------|---------------------|------------------------------------|----------------------------|---|
| 1   | Mr. Dipak Raj Sood | Vice Chairman, Whole-time Director | 393.00                          | B.Com.        | 54                  | December 01, 1967                  | 79                         | NA  |

**Notes:** The Gross remuneration as shown above includes Salary, House Rent Allowance, Conveyance, Bonus/Ex-Gratia, Company's Contribution to Provident Fund, Leave Travel Assistance, medical and other facilities, wherever applicable.

Mr. Dipak Raj Sood (DIN: 01516073) is a relative of Mr. Samir Sood (DIN: 02627166), Director and Mrs. Rupa Sood (DIN: 01310946), Director of the Company.

The Nature of employment is contractual.

Mr. Dipak Raj Sood (DIN: 01516073) holds 48.12% equity shares of the Company.

**By order of the Board**  
For India Forge & Drop Stampings Limited

Place: Delhi  
Date: November 07, 2021

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh  
New Delhi-110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh  
New Delhi-110065

# INDIA FORGE & DROP STAMPINGS LTD.

## Annexure - V to Directors' Report for the financial year ended on March 31, 2021

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements/transactions 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 transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements, or transactions entered into during the year ended 31<sup>st</sup> March 2021, which were not on an arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship   | Nature of contracts/arrangements/transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any:  | Amount paid as advances, if any: | Value of Transactions during the year ended March 31, 2021 (Amount in Rs.) |
|---|---|---|---|--|----------------------------------|--|
| Sudtrac Linkages Pvt. Ltd. (Enterprise over which Key Management Personnel or relatives have significant influence) | Sale of goods                                 | Yearly  | Based on Transfer Pricing Guidelines  | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable                   | 4,62,49,822  |
| Sudtrac Linkages Pvt. Ltd. (Enterprise over which Key Management Personnel or relatives have significant influence) | Rent paid                                     | Yearly  | Based on Transfer Pricing Guidelines  | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable                   | 3,54,000   |
| Sudtrac Linkages Pvt. Ltd. (Enterprise over which Key Management Personnel or relatives have significant influence) | Job work charges received                     | Yearly  | Based on Transfer Pricing Guidelines  | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable                   | 36,82,179  |
| Sudtrac Linkages Pvt. Ltd. (Enterprise over which Key Management Personnel or relatives have significant influence) | Rent received                                 | Yearly  | Based on Transfer Pricing Guidelines  | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable                   | 5,82,290   |

# INDIA FORGE & DROP STAMPINGS LTD.

|  |                       |        |                                      |  |                |             |
|--|-----------------------|--------|--------------------------------------|--|----------------|-------------|
| influence)   |                       |        |                                      |  |                |             |
| Track Systems India Private Limited (Enterprise over which Key Management Personnel or relatives have significant influence) | Sale of goods         | Yearly | Based on Transfer Pricing Guidelines | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable | 2,065       |
| Track Systems India Private Limited (Enterprise over which Key Management Personnel or relatives have significant influence) | Purchase of goods     | Yearly | Based on Transfer Pricing Guidelines | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable | 1,35,847.50 |
| Venture Highway LLP ((Enterprise over which Key Management Personnel or relatives have significant influence)                | Services received     | Yearly | Based on Transfer Pricing Guidelines | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable | 3,24,50,000 |
| Precision Machtech Private Limited (Enterprise over which Key Management Personnel or relatives have significant influence)  | Job work charges paid | Yearly | Based on Transfer Pricing Guidelines | Not Applicable since the contract was entered in the ordinary course of business and at arm's length basis | Not Applicable | 33,17,019   |

**By order of the Board**  
For India Forge & Drop Stampings Limited

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

Date: November 07, 2021  
Place: Delhi

# INDIA FORGE & DROP STAMPINGS LTD.

Annexure-VI to the Directors' Report for the financial year ended on March 31, 2021

## Annual Report on Corporate Social Responsibility Policy and activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company believes in conducting its business responsibly, fairly and in a transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates. The Company has been making consistent efforts over the years towards economic and social upliftment of the marginalized and vulnerable sections of society. The main objective of the CSR Policy is to lay down guidelines to make CSR a key business process and support programs aimed at development of communities who are inequitably endowed. The CSR projects undertaken by the Company are within the framework of Schedule VII of the Companies Act, 2013. During the year, the Company's CSR activities focused primarily on COVID-19 relief, education, healthcare, and livelihoods.

The CSR policy may be accessed on the Company's website at [www.indiaforge.in](http://www.indiaforge.in).

2. The Composition of CSR Committee as on March 31, 2021 is as below:

| SN. | Name           | Designation                         | Position in the Committee |
|-----|----------------|-------------------------------------|---------------------------|
| 1.  | Rupa Sood      | Director                            | Chairperson               |
| 2.  | Dipak Raj Sood | Vice-chairman (Whole time Director) | Member                    |
| 3.  | Amarnath Lulla | Independent Director                | Member                    |

3. Average net profit of the company for last three financial years:

| Financial Year            | Net Profit before Tax (Amount in Rs.) |
|---------------------------|---------------------------------------|
| 2019-2020                 | 1,68,97,457                           |
| 2018-2019                 | 13,17,87,162                          |
| 2017-2018                 | 6,25,78,850                           |
| Average Profit of 3 years | 7,04,21,156                           |

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): 2% of Average Profit - Rs. 14,08,423.13/-

5. Details of CSR spent during the financial year:

- (a) CSR obligation for the financial year - 14,08,423/-
- (b) Amount unspent for financial year 2019-2020 - 8,92,297/-
- (c) Total amount to be spent for the financial year 2020-21 - Rs. 23,00,720/-
- (d) Manner in which the amount spent during the financial year is detailed below:

## INDIA FORGE & DROP STAMPINGS LTD.

| (1) | (2)  | (3)   | (4)   | (5)   | (6)  | (7)   | (8)  |
|-----|--|---|---|---|--|---|--|
| SN. | CSR project or activity identified   | Relevant Section of Schedule VII in which the Project is covered (Note 1) | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2)Overheads | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency                      |
| 1   | <b>COVID-19 Support</b> - Distribution of ration and community based relief activities.  | (xii)   | Faridabad (Haryana) ; Rudrapur (Uttarakhand)  | 12,03,170/-                                     | 12,03,170/-  | 12,03,170/-                                       | Direct (Vendor procurements)   |
| 2   | Help caddies achieve an acceptable standard of living by assuring bare essentials such as Life Insurance, Primary & Secondary Healthcare, Education subsidy etc. | (i) & (ii)  | PAN INDIA   | 1,50,000/-                                      | 1,50,000/-   | 1,50,000/-  | Through Implementing Agency – Caddies Welfare Trust                      |
| 3   | To provide modern and good quality education to the rural students of the area.  | (ii)  | Pune (Maharashtra)  | 5,00,000/-                                      | 5,00,000/-   | 5,00,000/-  | Through implementing agency - Shree Bhairavnath Shikshak Prasarak Mandal |
|     | <b>TOTAL</b>   |   |   | <b>18,53,170/-</b>                              | <b>18,53,170/-</b>   | <b>18,53,170/-</b>                                |  |

### Note 1:

- (i) eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (xii) Disaster management, including relief, rehabilitation & reconstruction

## **INDIA FORGE & DROP STAMPINGS LTD.**

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The unspent CSR amount of Rs. 4,47,550/- which could not be utilized by the Company, shall be carried forward for the next financial year to be spent in focus areas during FY 2021-2022, as and when appropriate avenue available.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company:

The implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

**By order of the Board**  
For India Forge & Drop Stampings Limited

Place: Delhi  
Date: November 07, 2021

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
Member- CSR Committee  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

## **Chachan & Lath LLP**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIA FORGE & DROP STAMPINGS LTD.**

#### **UNMODIFIED OPINION**

We have audited the Standalone Financial Statements of India Forge & Drop Stampings Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 aforesaid 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, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows for the year ended on that date.

#### **BASIS FOR UNMODIFIED OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

#### **INFORMATION OTHER THAN THE STANDALONE 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 the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

#### **EMPHASIS OF MATTER**

We draw the attention to the note number 26(1) of the financial results, wherein the Company has disclosed its assessment of the Covid-19 pandemic on the Company. As mentioned therein, the assessment of the management does not indicate any material effect on the carrying value of assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a going concern. The assessment of the management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

#### **OUR OPINION IS NOT MODIFIED IN RESPECT OF THIS MATTER.**

#### **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 of these standalone financial statements 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 under section 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 provision 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 controls, that were operating effectively for ensuring the accuracy and completeness of the

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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 standalone 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.

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

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

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 Standard on Auditing, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 standalone 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 standalone 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.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**



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1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
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 purposes 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
  - d) In our opinion, the aforesaid standalone financial statements comply with 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, 2021, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.
  - g) 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 explanations given to us:
    - i. The Company, as detailed in Note 26 (12) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2021.
    - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

For **Chachan & Lath LLP**  
Chartered Accountants  
(Firm Registration Number: 015012N)

Place: Delhi  
Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**  
Designated Partner  
(Membership Number: 094930)  
UDIN: 21094930AAAABD1553

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### ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 1 of **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS** of the Auditors' Report to the members of India Forge & Drop Stampings Ltd. on the accounts for the year ended March 31, 2021. We report that:

- (i) (a) ***In our opinion and according to the explanations given to us, the Company has yet to update records showing full particulars including quantitative details and situation of fixed assets.***
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased and periodically manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Since the fixed assets records are under update, we cannot comment about the discrepancies on such verification as compared to books of accounts.
  - (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 held in the name of the Company.
- (ii) According to the information and explanation given to us, inventories has been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on verification between the physical stock and the book stock, wherever ascertained were not significant and have been properly dealt with in the books of accounts.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, clauses (iii) (a) to (c) of the paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of Sections 73 to 76, directives issued by the Reserve Bank of India or any other relevant provisions of Companies Act, 2013 and rules framed there under.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013, for forgings, one of the Company's products. We have broadly reviewed such accounts and records and are of the opinion that prima-facie, the prescribed accounts, and records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amount in respect to the statutory dues referred to above were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there is no disputed amount in respect of statutory dues referred to above were outstanding as at March 31, 2021 except the following:
    - a) Disputed demand contested by Company in respect of GST/Goods & Service Tax ₹ 135.87 lakhs (Previous Year: ₹135.87 Lakhs).
    - b) ₹ 19.56 lakhs, demand of Sales Tax/Central Sales Tax (Appeal lying with Maharashtra Sales Tax Tribunal, Mumbai) for financial year 2005-06.
    - c) ₹ 69 lakhs, demand of Sales Tax (Appeal lying with Maharashtra Sales Tax Tribunal, Mumbai) for financial year 2009-10.
    - d) ₹ 10.02 lakhs, demand of Sales Tax (Appeal lying with the Joint Commissioner of Sales Tax, Pune) for financial year 2013-14.

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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company does not have any loans or borrowings from government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our Opinion and according to the information and explanations given to us, monies raised by way of term loans during the year have been applied by the Company for the purpose for which they were raised.
- (x) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Hence the provisions of clause (xii) of the Order are not applicable to the Company.
- (xii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanation given to us, the Company has not entered into non-cash transaction with directors or persons connected with them. Hence the provisions of clause (xv) of the Order are not applicable to the Company.
- (xv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

Place: Delhi

Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**

Designated Partner

(Membership Number: 094930)

UDIN: 21094930AAAABD1553

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## **ANNEXURE B TO THE AUDITORS' REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of India Forge & Drop Stampings Ltd. ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was 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 auditor's judgement, including the assessment of the risks of material misstatement of the 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 CONTROLS 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 purposes 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 payments of the company are being made only in accordance with authorizations of 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 misstatements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

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effectively as at March 31, 2021, 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.

For **Chachan & Lath LLP**  
Chartered Accountants  
(Firm Registration Number: 015012N)

Place: Delhi  
Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**  
Designated Partner  
(Membership Number: 094930)  
UDIN: 21094930AAAABD1553

# INDIA FORGE & DROP STAMPINGS LIMITED

Balance Sheet as at March 31, 2021

|                                    |   |      |                            | (Amount in Rs.)            |  |
|------------------------------------|---|------|----------------------------|----------------------------|--|
| SN.                                | Particulars   | Note | As at March 31, 2021       | As at March 31, 2020       |  |
| <b>(A) EQUITY AND LIABILITIES</b>  |   |      |                            |                            |  |
| <b>SHAREHOLDERS' FUNDS</b>         |   |      |                            |                            |  |
|                                    | Share capital   | 1    | 2,97,88,030                | 2,97,88,030                |  |
|                                    | Reserves and surplus  | 2    | <u>51,26,40,321</u>        | <u>45,13,30,130</u>        |  |
|                                    |   |      | <b>54,24,28,351</b>        | <b>48,11,18,160</b>        |  |
| <b>(B) NON-CURRENT LIABILITIES</b> |   |      |                            |                            |  |
|                                    | Long-term liabilities   | 3    | -                          | 18,69,748                  |  |
|                                    | Deferred tax liabilities (net)                                |      | 73,69,488                  |                            |  |
|                                    | Long-term provisions  | 4    | <u>2,02,34,626</u>         | <u>2,81,60,589</u>         |  |
|                                    |   |      | <b>2,76,04,114</b>         | <b>3,00,30,337</b>         |  |
| <b>(C) CURRENT LIABILITIES</b>     |   |      |                            |                            |  |
|                                    | Short-term borrowings   | 5    | -                          | -                          |  |
|                                    | <b>Trade payables</b>   | 6    |                            |                            |  |
|                                    | Total outstanding dues of micro and small enterprises         |      | 1,80,50,154                | 67,84,032                  |  |
|                                    | Total outstanding dues other than micro and small enterprises |      | 12,30,90,628               | 5,89,77,148                |  |
|                                    | Other current liabilities                                     | 7    | 7,89,01,049                | 4,54,86,956                |  |
|                                    | Short-term provisions   | 8    | <u>3,71,97,312</u>         | <u>3,96,12,271</u>         |  |
|                                    |   |      | <b>25,72,39,143</b>        | <b>15,08,60,407</b>        |  |
|                                    | <b>Grand Total (A+B+C)</b>                                    |      | <u><b>82,72,71,608</b></u> | <u><b>66,20,08,903</b></u> |  |
| <b>ASSETS</b>                      |   |      |                            |                            |  |
| <b>(A) NON-CURRENT ASSETS</b>      |   |      |                            |                            |  |
|                                    | Property, Plant and Equipments : Tangible assets              | 9    | 19,25,73,710               | 18,13,85,993               |  |
|                                    | Non-current investments                                       | 10   | 11,00,339                  | 11,00,339                  |  |
|                                    | Deferred tax asset (net)                                      |      | -                          | 95,774                     |  |
|                                    | Long-term loans and advances                                  | 11   | <u>1,98,33,883</u>         | <u>2,06,91,701</u>         |  |
|                                    |   |      | <b>21,35,07,932</b>        | <b>20,32,73,808</b>        |  |
| <b>(B) CURRENT ASSETS</b>          |   |      |                            |                            |  |
|                                    | Current investments   | 12   | 5,44,13,311                | 8,77,10,896                |  |
|                                    | Inventories   | 13   | 14,95,67,325               | 9,24,14,730                |  |
|                                    | Trade receivables   | 14   | 28,34,66,292               | 15,37,70,619               |  |
|                                    | Cash and bank balances  | 15   | 7,67,70,700                | 6,36,60,226                |  |
|                                    | Short-term loans and advances                                 | 16   | 4,70,83,806                | 5,89,71,814                |  |
|                                    | Other current assets  | 17   | <u>24,62,242</u>           | <u>22,06,810</u>           |  |
|                                    |   |      | <b>61,37,63,676</b>        | <b>45,87,35,096</b>        |  |
|                                    | <b>Grand Total (A+B)</b>                                      |      | <u><b>82,72,71,608</b></u> | <u><b>66,20,08,903</b></u> |  |

Significant Accounting Policies and Notes on Financial Statements 26

Notes 1 to 26 referred above form an integral part of the Financial Statements

As per our Report of even date

**For Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

**For & on behalf of the Board**

**CA. Dharmendra Kumar chachan**

Designated Partner

(Membership Number: 094930)

Place: Delhi

Date: November 07, 2021

UDIN: 21094930AAAABD1553

**Dipak Raj Sood**

Vice-chairman (Whole-time Director)

(DIN: 01516073)

Address: G-10, Maharani Bagh,

New Delhi-110065

**Samir Sood**

Director

(DIN: 02627166)

Address: G-10, Maharani Bagh,

New Delhi -110065

**INDIA FORGE & DROP STAMPINGS LIMITED**

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in Rs.)

| SN.        | Particulars   | Note   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------------|---|--------|--------------------------------------|--------------------------------------|
| <b>(A)</b> | <b>INCOME:</b>  |        |                                      |                                      |
| 1          | Revenue from operations   | 18     | 1,43,54,06,633                       | 1,21,31,65,593                       |
| 2          | Other income  | 19     | 4,74,98,098                          | 3,45,37,401                          |
|            | <b>Grand Total (1+2)</b>  |        | <b>1,48,29,04,732</b>                | <b>1,24,77,02,994</b>                |
| <b>(B)</b> | <b>EXPENDITURE:</b>   |        |                                      |                                      |
| 1          | Cost of materials consumed  | 20     | 79,10,64,339                         | 59,49,86,860                         |
| 2          | Change in inventory of work in progress                                       | 21     | -1,82,23,100                         | 2,36,77,888                          |
| 3          | Employee benefits expense   | 22     | 12,49,22,967                         | 11,69,53,867                         |
| 4          | Finance costs   | 23     | 1,57,074                             | 3,86,705                             |
| 5          | Depreciation and amortisation expense   | 24     | 3,12,45,246                          | 3,01,80,482                          |
| 6          | Other expenses  | 25     | 47,12,71,696                         | 46,46,19,735                         |
|            | <b>Grand Total (1+2+3+4+5+6)</b>  |        | <b>1,40,04,38,222</b>                | <b>1,23,08,05,537</b>                |
| <b>(C)</b> | <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS (A) - (B)</b>                       |        | <b>8,24,66,510</b>                   | <b>1,68,97,457</b>                   |
| <b>(D)</b> | <b>EXCEPTIONAL ITEMS</b>  | 26(17) | -                                    | -                                    |
| <b>(E)</b> | <b>PROFIT/(LOSS) BEFORE TAX (C) - (D)</b>                                     |        | <b>8,24,66,510</b>                   | <b>1,68,97,457</b>                   |
| <b>(F)</b> | <b>TAX EXPENSE:</b>   |        |                                      |                                      |
|            | Current tax   |        | 1,37,65,310                          | 41,46,874                            |
|            | Deferred tax expenses/ (saving)   |        | 74,65,262                            | 30,23,644                            |
|            | Mat credit entitlement/ (utilisation)   |        | 74,253                               | -11,97,340                           |
| <b>(E)</b> | <b>PROFIT/(LOSS) FOR THE YEAR (E) - (F)</b>                                   |        | <b>6,13,10,191</b>                   | <b>85,29,599</b>                     |
|            | <b>Earning per equity share (EPS)</b>   |        |                                      |                                      |
|            | Weighted average number of equity shares in calculating basic and diluted EPS |        | 29,78,803                            | 29,78,803                            |
|            | Basic and diluted EPS (Nominal value of shares ₹ 10/- each)                   |        | 20.58                                | 2.86                                 |

Significant Accounting Policies and Notes on Financial Statements 26

Notes 1 to 26 referred above form an integral part of the Financial Statements

As per our Report of even date

For Chachan &amp; Lath LLP

Chartered Accountants

(Firm Registration Number: 015012N)

For &amp; on behalf of the Board

CA. Dharmendra Kumar chachan

Designated Partner

(Membership Number: 094930)

Place: Delhi

Date: November 07, 2021

UDIN: 21094930AAAABD1553

Dipak Raj Sood

Vice-chairman (Whole-time Director)

(DIN: 01516073)

Address: G-10, Maharani Bagh,

New Delhi-110065

Samir Sood

Director

(DIN: 02627166)

Address: G-10, Maharani Bagh,

New Delhi -110065

# INDIA FORGE & DROP STAMPINGS LIMITED

## Cash Flow Statement for the year ended on March 31, 2021

(Amount in Rs.)

| Particulars   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|---|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                 |                              |                              |
| Net Profit/(Loss) before tax                                  | 8,24,66,510                  | 1,68,97,457                  |
| <b>Adjustment for:</b>  |                              |                              |
| Depreciation and amortisation                                 | 3,12,45,246                  | 3,01,80,482                  |
| (Profit)/loss on disposal of fixed assets (Net)               | (2,93,63,607)                | (27,23,560)                  |
| Provision for doubtful debts (Net)                            | -                            | -                            |
| Provision for Gratuity and Leave Encashment (Net)             | (12,16,776)                  | 26,63,561                    |
| Interest Income   | (24,12,271)                  | (21,73,724)                  |
| Rent Income   | (4,94,000)                   | (6,00,000)                   |
| Dividend Income   | (25,863)                     | (25,70,150)                  |
| Interest Expense  | 1,57,074                     | 3,86,705                     |
| (Profit)/loss on Investment                                   | (98,12,025)                  | (47,63,784)                  |
| <b>Operating Profit/(Loss) before working capital changes</b> | <b>7,05,44,287</b>           | <b>3,72,96,986</b>           |
| <b>Movement in working capital:</b>                           |                              |                              |
| Increase/(decrease) in trade payables and provisions          | 7,53,79,602                  | (3,00,08,255)                |
| Increase/(decrease) in other current liabilities              | 2,42,89,948                  | (3,87,55,119)                |
| Decrease/(increase) in trade receivable                       | (12,96,95,672)               | 5,70,47,244                  |
| Decrease/(increase) in inventories                            | (5,71,52,595)                | 3,08,46,175                  |
| Decrease/(increase) in loans and advances                     | 95,54,769                    | (7,44,125)                   |
| Decrease/(increase) in other current assets                   | (2,40,271)                   | 27,53,178                    |
| <b>Cash generated from/(used in) operations</b>               | <b>(73,19,932)</b>           | <b>5,84,36,084</b>           |
| Direct taxes paid   | (1,05,00,000)                | (30,00,000)                  |
| <b>Net cash flow from/(used in) operating activities (A)</b>  | <b>(1,78,19,932)</b>         | <b>5,54,36,084</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                 |                              |                              |
| Purchase of Investments                                       | (10,66,45,875)               | -                            |
| Sale of Investment  | 13,99,43,460                 | 3,98,83,806                  |
| Purchase of fixed assets                                      | (4,25,69,704)                | (2,24,50,517)                |
| Proceed from sale of fixed assets                             | 2,95,00,349                  | 27,23,560                    |
| Profit/(loss) from sale of Investment                         | 98,12,025                    | 47,63,784                    |
| Rent Income   | 4,94,000                     | 6,00,000                     |
| Dividend Received   | 25,863                       | 25,70,150                    |
| Interest received   | 24,12,271                    | 21,73,724                    |
| <b>Net cash flow from/(used in) investing activities (B)</b>  | <b>3,29,72,389</b>           | <b>3,02,64,507</b>           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                 |                              |                              |
| Proceeds/(repayment) from short term borrowings               |                              | (4,43,39,500)                |
| Proceeds/(repayment) from long term borrowings                | (18,69,748)                  | 18,69,748                    |
| Loans to Subsidiary   | (15,161)                     | -                            |
| Interest paid   | (1,57,074)                   | (3,86,705)                   |
| <b>Net cash flow from/(used in) financing activities (C)</b>  | <b>(20,41,983)</b>           | <b>(4,28,56,456)</b>         |
| Net Increase/(decrease) in cash and bank balances             | 1,31,10,474                  | 4,28,44,135                  |
| Cash and bank balances at the beginning of the year           | 6,36,60,226                  | 2,08,16,092                  |
| <b>Cash and bank balances at the end of the year</b>          | <b>7,67,70,700</b>           | <b>6,36,60,226</b>           |
| <b>Components of cash and bank balances</b>                   |                              |                              |
| Cash on hand  | 5,26,545                     | 14,68,508                    |
| In current account  | 2,71,74,316                  | 4,91,21,920                  |
| In deposit accounts   | 4,90,69,839                  | 1,30,69,798                  |
|   | <b>7,67,70,700</b>           | <b>6,36,60,226</b>           |

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS-3) on Cash Flow Statement.

2. Negative figures have been shown in brackets.

3. Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report attached

**For Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

**CA. Dharmendra Kumar chachan**

**Designated Partner**

**(Membership Number: 094930)**

**Place: Delhi**

**Date: November 07, 2021**

**UDIN: 21094930AAAABD1553**

**Dipak Raj Sood**

Vice-chairman (Whole-time Director)

(DIN: 01516073)

Address: G-10, Maharani Bagh,

New Delhi-110065

**Samir Sood**

Director

(DIN: 02627166)

Address: G-10, Maharani Bagh,

New Delhi -110065



## INDIA FORGE & DROP STAMPINGS LIMITED

### Notes to Financial Statements for the year ended March, 2021

(Amount in Rs.)

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>NOTE 1 : SHARE CAPITAL</b>                                  |                      |                      |
| Authorized   | 5,00,00,000          | 5,00,00,000          |
| 47,50,000 Equity shares of ₹ 10/- each                         | 4,75,00,000          | 4,75,00,000          |
| 25,000 Redeemable cumulative preference shares of ₹ 100/- each | 25,00,000            | 25,00,000            |
| Issued   |                      |                      |
| 33,91,247 Equity shares of ₹ 10/- each                         | 3,39,12,470          | 3,39,12,470          |
| Subscribed and Paid-up   |                      |                      |
| 29,78,803 Equity shares of ₹ 10/- each fully paid up           | 2,97,88,030          | 2,97,88,030          |
|  | <u>2,97,88,030</u>   | <u>2,97,88,030</u>   |

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10/- each and redeemable cumulative preference shares of ₹ 100/- each. Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he/she is present in person and on a poll shall have the right to vote in proportion to his/her share in the paid-up capital of the Company.

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

| The details of shareholders holding more than 5% shares as at March 31, 2021 |                         |                        |        |                        |        |
|--|-------------------------|------------------------|--------|------------------------|--------|
| SN.  | Name of the shareholder | As at 31st March, 2021 |        | As at 31st March, 2020 |        |
|  |                         | No. of Shares          | % held | No. of Shares          | % held |
| 1  | Dipak Raj Sood          | 14,33,516              | 48.12  | 14,33,616              | 48.13  |
| 2  | Rupa Sood               | 14,30,895              | 48.04  | 14,30,895              | 48.04  |

| The reconciliation of the number of shares outstanding is set out below: |                      |                    |                      |                    |
|--|----------------------|--------------------|----------------------|--------------------|
| Particulars  | As at March 31, 2021 |                    | As at March 31, 2020 |                    |
|  | No. of Shares        | Amount in (₹)      | No. of Shares        | Amount in (₹)      |
| Equity shares at the beginning of the year                               | 29,78,803            | 2,97,88,030        | 29,78,803            | 2,97,88,030        |
| Add: Equity shares issued during the year                                | -                    | -                  | -                    | -                  |
| Less: Equity shares bought back during the year                          | -                    | -                  | -                    | -                  |
| <b>Equity shares at the end of the year</b>                              | <b>29,78,803</b>     | <b>2,97,88,030</b> | <b>29,78,803</b>     | <b>2,97,88,030</b> |

#### NOTE 2 : RESERVES AND SURPLUS

|  |                     |                     |
|--|---------------------|---------------------|
| Capital reserve  | 23,64,000           | 23,64,000           |
| Securities premium   | 53,23,600           | 53,23,600           |
| General reserve  | 9,00,35,500         | 9,00,35,500         |
| Surplus  |                     |                     |
| Opening balance of profit & loss a/c                                     | 35,36,07,030        | 34,50,77,431        |
| Net profit/ (loss) after tax transferred from Statement of Profit & Loss | 6,13,10,191         | 85,29,599           |
| Earlier year tax   | -                   | -                   |
| Closing balance  | 41,49,17,221        | 35,36,07,030        |
| <b>Grand Total</b>   | <b>51,26,40,321</b> | <b>45,13,30,130</b> |

#### NOTE 3 : LONG-TERM BORROWING

|   |   |           |
|---|---|-----------|
| Term Loans  |   |           |
| From Banks  |   |           |
| From other parties  |   |           |
| Deferred payment liabilities                                |   |           |
| Loans and advances from related parties                     |   |           |
| Loans for vehicles  | - | 18,69,748 |
| (Note: secured by way of hypothecation of vehicle financed) | - | 18,69,748 |

#### NOTE 4 : LONG-TERM PROVISIONS

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Provision for employee benefits: |                    |                    |
| For gratuity                     | 1,25,49,829        | 2,09,04,084        |
| For leave encashment             | 76,84,797          | 72,56,505          |
|                                  | <u>2,02,34,626</u> | <u>2,81,60,589</u> |

**NOTE 5 : SHORT TERM BORROWINGS**

|   |          |          |
|---|----------|----------|
| Inter Branches Balances                 | -        | -        |
| Loan repayable on demand                | -        | -        |
| Loans and advances from related parties | -        | -        |
| Deposits                                | -        | -        |
| Other loans and advances                | -        | -        |
| Preshipment credit in foreign currency  | -        | -        |
|   | <u>-</u> | <u>-</u> |
|   | <u>-</u> | <u>-</u> |

**NOTE 6 : TRADE PAYABLES**

|   |                     |                    |
|---|---------------------|--------------------|
| Total outstanding dues of micro and small enterprises         | 1,80,50,154         | 67,84,032          |
| Total outstanding dues other than micro and small enterprises | 12,30,90,628        | 5,89,77,148        |
|   | <u>14,11,40,782</u> | <u>6,57,61,180</u> |

**NOTE 7 : OTHER CURRENT LIABILITIES**

|   |                    |                    |
|---|--------------------|--------------------|
| Current maturities of long term debt                          |                    |                    |
| Current maturity of long term debts (vehicles)                | -                  | 4,42,976           |
| Current maturities of finance lease obligation                |                    |                    |
| Bank book overdraft   | -                  | -                  |
| Advances from customers                                       | 14,68,181          | 10,86,110          |
| <b>Other payables:</b>  |                    |                    |
| Creditors for expenses  |                    |                    |
| Total outstanding dues of micro and small enterprises         | 1,26,45,416        | 18,66,830          |
| Total outstanding dues other than micro and small enterprises | 3,90,16,668        | 2,80,99,873        |
| Statutory dues  | 1,87,58,349        | 70,88,101          |
| Others  | 70,12,435          | 69,03,066          |
| <b>TOTAL</b>  | <u>7,89,01,049</u> | <u>4,54,86,956</u> |

**NOTE 8 : SHORT TERM PROVISIONS**

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Provision for employee benefits |                    |                    |
| Provision for gratuity          | 40,26,794          | 40,70,300          |
| Provision for leave encashment  | 67,52,693          |                    |
| Provision for expenses          | 85,05,641          | 32,95,097          |
| Provision for tax               | 1,79,12,184        | 3,22,46,874        |
|                                 | <u>3,71,97,312</u> | <u>3,96,12,271</u> |

**NOTE 9 : PROPERTY, PLANT AND EQUIPMENTS**

| Particulars of Assets | Gross Block               |                           |                                      |                            | Depreciation        |                    |                    |                     | Net Block           |                     |
|-----------------------|---------------------------|---------------------------|--------------------------------------|----------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                       | Total Cost upto 31.3.2020 | Additions during the year | Deletion/ Adjustment during the year | Total Cost upto 31.03.2021 | Upto 1.4.2020       | For the Year       | Sales/Deletion     | Upto 31.03.2021     | As at 31.03.2021    | As at 31.3.2020     |
| Land & Buildings      | 6,24,83,688               | -                         | -                                    | 6,24,83,688                | 3,60,85,023         | 10,84,435          | -                  | 3,71,69,458         | 2,53,14,230         | 2,63,98,664         |
| Plant & Equipment     | 58,95,97,396              | 4,10,42,679               | 1,05,91,331                          | 62,00,48,744               | 45,20,09,024        | 2,48,80,300        | 1,05,91,331        | 46,62,97,993        | 15,37,50,751        | 13,75,88,372        |
| Mobile Equipments/    | 4,29,52,830               | 82,720                    | 20,92,713                            | 4,09,42,837                | 3,24,73,173         | 29,50,311          | 19,55,971          | 3,34,67,514         | 74,75,324           | 1,04,79,657         |
| Furniture & Fixtures  | 39,31,640                 | 6,76,734                  | -                                    | 46,08,374                  | 26,87,784           | 3,90,544           | -                  | 30,78,329           | 15,30,046           | 12,43,856           |
| Office Equipments     | 3,31,34,023               | 7,67,571                  | -                                    | 3,39,01,595                | 2,74,58,579         | 19,39,655          | -                  | 2,93,98,235         | 45,03,360           | 56,75,444           |
| <b>Current Year</b>   | <b>73,20,99,577</b>       | <b>4,25,69,704</b>        | <b>1,26,84,044</b>                   | <b>76,19,85,237</b>        | <b>55,07,13,584</b> | <b>3,12,45,246</b> | <b>1,25,47,302</b> | <b>56,94,11,528</b> | <b>19,25,73,710</b> | <b>18,13,85,993</b> |
| <i>Previous Year</i>  | 70,96,49,060              | 2,24,50,517               | -                                    | 73,20,99,577               | 52,05,33,099        | 3,01,80,485        | -                  | 55,07,13,584        | 18,13,85,993        | 18,91,15,959        |

**NOTE 10: NON CURRENT INVESTMENTS****Trade, Unquoted:**

|   |           |           |
|---|-----------|-----------|
| Investment in share capital of subsidiary company | 10,00,000 | 10,00,000 |
|---|-----------|-----------|

(100,000\* Equity shares of ₹ 10/- each fully paid in India Forge Auto Products Pvt. Ltd.

\*Out of it 10 Equity shares are held in the name of Mrs. Rupa Sood, as nominee)

**Non-Trade, Quoted:**

|  |                 |                 |
|--|-----------------|-----------------|
| Non-current-quoted-fully paid up units of mutual funds | -               | -               |
| Long term Investments (Bonds)                          | 1,00,339        | 1,00,339        |
| (Refer detailed annexure of Investment)                |                 |                 |
|  | <u>1,00,339</u> | <u>1,00,339</u> |

# INDIA FORGE & DROP STAMPINGS LIMITED

## Annexure of Investment

| Instrument Name  | Current/ Non-current | Quoted/ Unquoted | Trade/ Non-trade | Under lien/Free | Lien with whom | March 31, 2021          |                   |                                  | March 31, 2020    |                         |                   |                                  |                    |
|--|----------------------|------------------|------------------|-----------------|----------------|-------------------------|-------------------|----------------------------------|-------------------|-------------------------|-------------------|----------------------------------|--------------------|
|  |                      |                  |                  |                 |                | Number of Units/ Shares | Cost              | Provision for Diminution, if any | Market Value      | Number of Units/ Shares | Cost              | Provision for Diminution, if any | Market Value       |
| 7.28% NHAI-Sep 2030 Tax Free Bond                          | Non Current          | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | -                       | -                 | -                                |                    |
| 7.39% NHAI-March 2031 Tax Free Bond                        | Non Current          | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | -                       | -                 | -                                |                    |
| PIIC Tax Free Bonds  | Non Current          | Quoted           | Non Trade        | Free            | None           | 103,000                 | 100,339           | -                                | 112,817           | 103,000                 | 100,339           | -                                | 112,817            |
| Beta Sanlife Dynamic Bond Fund                             | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 426,090.66              | 7,830,609         | -                                | 14,198,023         |
| DSP Liquidity Fund -Regular Plan-Growth                    | Current              | Quoted           | Non Trade        | Free            | None           | 6,871.73                | 19,453,920        | -                                | 19,757,874        | -                       | -                 | -                                | -                  |
| DSP Black Rock Income Opportunities Fund-DIG-4592963/58    | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 318,458.94              | 9,000,000         | -                                | 9,734,207          |
| DSP Black Rock Income Opportunities Fund-DIG-4592964/55    | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 222,921.26              | 6,300,000         | -                                | 6,813,945          |
| DSP Black Rock Opportunities Fund RGP- 4592969/40          | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 986,077.83              | 2,700,000         | -                                | 2,865,834          |
| Franklin India Corporate Bond Opportunities Fund           | Current              | Quoted           | Non Trade        | Under lien      | SBI            | 541,892,000             | 7,802,196         | -                                | 10,781,120        | 541,892,000             | 7,806,527         | -                                | 10,730,405         |
| ICICI Prudential Growth Liquid Fund                        | Current              | Quoted           | Non Trade        | Free            | None           | 91,171.82               | 27,157,195        | -                                | 27,344,115        | -                       | -                 | -                                | -                  |
| ICIDOCIR - IIDIC Corporate Debt Opportunities Fund         | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 307,492.27              | 3,500,000         | -                                | 5,365,649          |
| Reliance Arbitrage Fund -Monthly Dividend Plan-41676861806 | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 1,179,353.71            | 12,555,225        | -                                | 12,584,530         |
| IIDIC Arbitrage Fund -Monthly Dividend Plan-8011380/05     | Current              | Quoted           | Non Trade        | Free            | None           | -                       | -                 | -                                | -                 | 2,934,574.47            | 38,022,866        | -                                | 38,365,531         |
| <b>Total</b>   |                      |                  |                  |                 |                | <b>639,968,55</b>       | <b>54,513,650</b> | <b>-</b>                         | <b>57,995,926</b> | <b>6,028,944.13</b>     | <b>87,815,567</b> | <b>-</b>                         | <b>100,766,941</b> |

**NOTE 11: LONG TERM LOAN AND ADVANCES**

Deposits with:

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Government authorities | 16,127,857        | 16,267,222        |
| Other deposits         | 3,005,963         | 2,527,414         |
| Capital advances       | 700,063           | 1,794,065         |
| Other advances         | -                 | 103,000           |
|                        | <u>19,833,883</u> | <u>20,691,701</u> |

**NOTE 12 : CURRENT INVESTMENTS****Non-Trade, Quoted:**

|   |                   |                   |
|---|-------------------|-------------------|
| Investment in units of mutual funds     | 54,413,311        | 87,710,896        |
| Investment in bonds                     | -                 | -                 |
| (Refer detailed annexure of Investment) |                   |                   |
|   | <u>54,413,311</u> | <u>87,710,896</u> |

**NOTE 13 : INVENTORIES**

|                  |                    |                   |
|------------------|--------------------|-------------------|
| Raw materials    | 79,266,552         | 40,337,057        |
| Work-in-progress | 70,268,773         | 52,042,673        |
| Scrap            | 32,000             | 35,000            |
| Goods in transit | -                  | -                 |
|                  | <u>149,567,325</u> | <u>92,414,730</u> |

**NOTE 14 : TRADE RECEIVABLES****Debts outstanding for a period exceeding six months-**

|                     |                  |                  |
|---------------------|------------------|------------------|
| Considered good     | 9,855,748        | 6,165,322        |
| Considered doubtful | -                | -                |
|                     | <u>9,855,748</u> | <u>6,165,322</u> |

**Others:**

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Considered good                    | 273,610,544        | 147,605,297        |
|                                    | <u>283,466,292</u> | <u>153,770,619</u> |
| Less: Provision for doubtful debts | -                  | -                  |
|                                    | <u>283,466,292</u> | <u>153,770,619</u> |

**NOTE 15 : CASH AND BANK BALANCES**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Cash on hand         | 526,545           | 1,468,508         |
| Balance with banks   | 27,174,316        | 49,121,920        |
| Other bank balances* | 49,069,839        | 13,069,798        |
|                      | <u>76,770,700</u> | <u>63,660,226</u> |

\*Note: Includes deposits of ₹ 54.62 lakhs (Previous Year: ₹ 47.78 lakhs) kept as margin money against bank guarantees

**NOTE 16 : SHORT TERM LOANS AND ADVANCES**

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Advance against expenses       | 7,608,485         | 5,005,892         |
| Prepaid expenses               | 3,541,524         | 436,071           |
| Loans to employees and workers | 3,888,209         | 3,189,801         |
| Taxes and duties recoverable   | 25,448,619        | 44,667,488        |
| Advance to suppliers           | 2,557,931         | 1,722,938         |
| Loan to subsidiary company     | 122,480           | 107,319           |
| Other short term advances      | 29,962            | 29,962            |
| MAT Credit Balances            | 3,886,596         | 3,812,343         |
|                                | <u>47,083,806</u> | <u>58,971,814</u> |

**NOTE 17 : OTHER CURRENT ASSETS**

|   |                  |                  |
|---|------------------|------------------|
| DEPB claim                                | 1,222,512        | 928,594          |
| Interest accrued on deposits and others   | 34,891           | 73,377           |
| Refund due from (State Electricity Board) | 1,204,839        | 1,204,839        |
|   | <u>2,462,242</u> | <u>2,206,810</u> |

**NOTE 18 : REVENUE FROM OPERATIONS****Sale of products and other Receipts**

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| Finished components (Net of returns) | 1,309,487,042        | 1,132,012,170        |
| <b>Other operating revenues</b>      |                      |                      |
| Job work income                      | 12,168,335           | 1,300,348            |
| Scrap sales                          | 107,221,033          | 70,284,046           |
| Export Incentive                     | 6,530,224            | 9,569,029            |
|                                      | <u>1,435,406,633</u> | <u>1,213,165,593</u> |

**NOTE 19 : OTHER INCOME****Interest income**

|  |                   |                   |
|--|-------------------|-------------------|
| -on bank deposits                        | 1,440,834         | 488,534           |
| -on others                               | 971,438           | 1,685,190         |
| Gain on foreign exchange                 | 3,441,153         | 5,171,952         |
| Dividend income                          | 25,863            | 2,570,150         |
| Net gain on sale of investment           | 9,812,025         | 4,763,784         |
| Profit on disposal of fixed assets (net) | 29,363,607        | 2,723,560         |
| Capital gain on disposal of land         | -                 | -                 |
| Rent income                              | 494,000           | 600,000           |
| Miscellaneous income                     | 1,949,179         | 16,534,231        |
|  | <u>47,498,098</u> | <u>34,537,401</u> |

**NOTE 20 : COST OF MATERIAL CONSUMED****Opening inventories:**

|                         |            |            |
|-------------------------|------------|------------|
| Raw materials (opening) | 40,337,057 | 46,902,364 |
|-------------------------|------------|------------|

**Add: Purchase of raw material:**

|                              |             |             |
|------------------------------|-------------|-------------|
| Cost of steel purchased      | 811,551,429 | 513,202,089 |
| Cost of components purchased | 18,442,404  | 75,219,465  |

**Less: Closing inventories:**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Raw material (closing) | 79,266,552         | 40,337,057         |
|                        | <u>791,064,339</u> | <u>594,986,860</u> |

**NOTE 21 : CHANGE IN INVENTORY OF WORK IN PROGRESS****Closing inventories:**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Work in progress-     | 70,268,773        | 52,042,673        |
| Scrap (closing Stock) | 32,000            | 35,000            |
|                       | <u>70,300,773</u> | <u>52,077,673</u> |

**Opening inventories:**

|                       |                    |                   |
|-----------------------|--------------------|-------------------|
| Work in progress:-    | 52,042,673         | 75,703,561        |
| Scrap (opening stock) | 35,000             | 52,000            |
|                       | <u>52,077,673</u>  | <u>75,755,561</u> |
|                       | <u>-18,223,100</u> | <u>23,677,888</u> |

**NOTE 22 : EMPLOYEES BENEFITS EXPENSES**

|   |                    |                    |
|---|--------------------|--------------------|
| Salaries, wages, bonus and benefits, etc.       | 115,402,028        | 103,927,500        |
| Contribution to provident and other funds, etc. | 4,684,230          | 5,918,536          |
| Staff welfare expenses                          | 4,836,710          | 7,107,830          |
|   | <u>124,922,967</u> | <u>116,953,867</u> |

**NOTE 23 : FINANCIAL COSTS**

|                   |                |                |
|-------------------|----------------|----------------|
| Interest expenses | 157,074        | 386,705        |
|                   | <u>157,074</u> | <u>386,705</u> |

**NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSES**

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Depreciation on fixed assets | 31,245,246        | 30,180,482        |
|                              | <u>31,245,246</u> | <u>30,180,482</u> |

**NOTE 25 : OTHER EXPENSES**

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Consumption of stores and spares | 75,188,281         | 66,787,939         |
| Power, gas and fuel              | 112,099,668        | 101,190,025        |
| Rent                             | 2,836,459          | 1,416,243          |
| Repairs to building              | 4,718,473          | 6,882,389          |
| Repairs to plant & machinery     | 29,382,886         | 29,112,220         |
| Insurance                        | 989,611            | 867,918            |
| Rates & taxes                    | 1,281,877          | 1,204,719          |
| Machining charges                | 150,143,384        | 138,757,034        |
| Travelling and conveyance        | 4,961,921          | 18,711,626         |
| Legal and professional           | 40,898,520         | 48,795,094         |
| Freight and transportation       | 13,590,804         | 15,907,414         |
| CSR & other donation             | 1,903,246          | 1,165,401          |
| Miscellaneous expenses           | 33,276,567         | 33,821,712         |
|                                  | <u>471,271,696</u> | <u>464,619,735</u> |

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### 26. NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2021

- The COVID-19 lockdown has had a worldwide impact, the ramification of which will play out over the next few months and years. The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties. The Company will periodically assess the situation and its impact on its business during the current financial year and undertake necessary action to mitigate any negative impacts to business. The Company does not expect any material fall in its net worth owing to the pandemic and hence there will be no impact on the going concern. The situation post balance sheet date was analyzed, and it has been ensured that there were no significant adjusting events that would have any material impact in the Company's financial statements for the year ended 31st March 2021.
- Balances of debtors, creditors, and loans & advances are subject to confirmation. Payments made to creditors and for other liabilities, payment received from debtors etc. are as certified by the management.
- In the opinion of the Board of Directors and to the best of their knowledge and belief, the realizable value of current assets including loans and advances, in ordinary course of business are not less than the value stated in the balance sheet as at March 31, 2021.
- The Company has a 100% subsidiary company i.e., India Forge Auto Products Pvt. Ltd. with a paid-up equity share capital of ₹10 lakhs. That subsidiary has not yet started any business operations.
- Value of import of services: ₹ Nil. (Previous year: Nil).
- Value of imported / indigenous raw materials / components / stores & spares consumed:  
Raw materials and components: ₹ 7,911 lakhs (100% indigenous); Previous year: ₹ 5,950 lakhs (100% indigenous)  
Stores, spares, tools etc.: ₹ 752 lakhs (100% indigenous); Previous year: ₹ 668 lakhs (100% indigenous)
- The Company is engaged in single business segment of manufacturing of steel forgings and assemblies. However, the Company has identified geographical segment based on the geographical market (₹ in lakhs) as below:

| Particulars   | Current year | Previous year |
|---|--------------|---------------|
| <b>i) Sales Revenue by Geographical Market</b>  |              |               |
| Domestic  | 12,531       | 10,634        |
| Export  | 1,823        | 1,498         |
| <b>ii) Segment Result</b>   |              |               |
| Un-allocable  | 613          | 85            |
| <b>iii) Carrying Amount of Segment Assets</b>   |              |               |
| Un-allocable  | 74,25        | 5,244         |
| <b>iv) Capital Expenditure during the year</b>  |              |               |
| Un-allocable  | 426          | 225           |
| <b>v) Total amount of segment liabilities</b>   |              |               |
| Un-allocable  | 2,595        | 1,463         |
| <b>vi) Total amount of depreciation and amortization in respect of segment assets</b> |              |               |
| Un-allocable  | 0            | 0             |
| Un-allocable  | 312          | 302           |
| <b>vii) Total amount of significant non-cash expenses</b>                             |              |               |

- Details of opening & closing stock, purchases & sales (₹ in lakhs):

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| Class of goods               | 2020-2021 |                              |                              |                                |                                | 2019-2020 |                              |                              |                                |                                |
|------------------------------|-----------|------------------------------|------------------------------|--------------------------------|--------------------------------|-----------|------------------------------|------------------------------|--------------------------------|--------------------------------|
|                              | Sales     | Closing Stock Finished Goods | Opening Stock Finished Goods | Closing Stock Work-in-Progress | Opening Stock Work-in-Progress | Sales     | Closing Stock Finished Goods | Opening Stock Finished Goods | Closing Stock Work-in-Progress | Opening Stock Work-in-Progress |
| Steel forging and assemblies | 13,095    | Nil                          | Nil                          | 703                            | 520                            | 11,320    | Nil                          | Nil                          | 520                            | 757                            |
| Job Work                     | 122       | Nil                          | Nil                          | Nil                            | Nil                            | 13        | Nil                          | Nil                          | Nil                            | Nil                            |
| Scrap                        | 1,072     | Nil                          | Nil                          | 1                              | 1                              | 703       | Nil                          | Nil                          | 1                              | 1                              |
| Others                       | 65        | Nil                          | Nil                          | Nil                            | Nil                            | 96        | Nil                          | Nil                          | Nil                            | Nil                            |
| Total                        | 14,354    | Nil                          | Nil                          | 703                            | 521                            | 12,132    | Nil                          | Nil                          | 521                            | 758                            |

9. Consequent to the Guidance on implementing Accounting Standard-15 “Employee Benefits” which clarifies the applicability of the Accounting Standard, gratuity liability and leave encashment liability has been determined by an Actuarial Valuer as at the date of the Balance Sheet. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company @ 15 days’ salary (last drawn salary) for each completed year of service. The Company, as a prudent practice, has provided liability for leave encashment basis on the actuarial valuation for unutilized leave balance as at Balance Sheet date.

The following table summarizes the components of net benefit/expense recognized in the profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan:

### STATEMENT OF PROFIT AND LOSS:

| Particulars  | Leave Liability         |                         | Gratuity                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| <b>Net employee benefit expenses (recognized in employee cost)</b> |                         |                         |                         |                         |
| Current service cost   | 31                      | 33                      | 21                      | 23                      |
| Past Service Cost  | -                       | -                       | -                       | -                       |
| Interest cost on benefit obligation                                | 9                       | 9                       | 14                      | 17                      |
| Expected return on plan assets                                     | -                       | -                       | -                       | -                       |
| Net actuarial (gain)/loss recognized in the year                   | (14)                    | (25)                    | (32)                    | (5)                     |
| Net benefit expenses   | -                       | -                       | -                       | -                       |
| <b>Total: Employee Benefits Expense</b>                            | <b>20</b>               | <b>17</b>               | <b>3</b>                | <b>35</b>               |



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### CHANGES IN PRESENT VALUE OF OBLIGATION

| Particulars   | Leave Liability         |                         | Gratuity                |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| Present value of obligation as at the beginning of the year   | 135                     | 127                     | 249                     | 230                     |
| Interest cost   | 9                       | 9                       | 14                      | 17                      |
| Current service cost  | 31                      | 33                      | 21                      | 23                      |
| Past Service cost   | -                       | -                       | -                       | -                       |
| Benefit paid  | (17)                    | (9)                     | (87)                    | (16)                    |
| Actuarial (gain)/loss on obligations                          | (14)                    | (25)                    | (32)                    | (5)                     |
| <b>Present value of obligations as at the end of the year</b> | <b>144</b>              | <b>135</b>              | <b>165</b>              | <b>249</b>              |

### AMOUNT TO BE RECOGNIZED IN BALANCE SHEET:

| Particulars  | Leave Liability         |                         | Gratuity                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| Present value of obligations at the end of I.V.P.            | 144                     | 135                     | 166                     | 250                     |
| Fair value of Plan Assets                                    | -                       | -                       | -                       | -                       |
| Funded Status  | -                       | -                       | -                       | -                       |
| Unrecognized Past Service Cost                               | (144)                   | (135)                   | (166)                   | (250)                   |
| Amount not recognized as an asset                            | -                       | -                       | -                       | -                       |
| <b>Net Asset/(Liability) recognized in the balance sheet</b> | <b>144</b>              | <b>135</b>              | <b>166</b>              | <b>250</b>              |

### PRINCIPAL ACTUARIAL ASSUMPTIONS:

| Particulars                   | Leave Liability |           | Gratuity  |           |
|-------------------------------|-----------------|-----------|-----------|-----------|
|                               | 2020-2021       | 2019-2020 | 2020-2021 | 2019-2020 |
| Discount Rate (p.a.)          | 6.76%           | 6.75%     | 6.76%     | 6.75%     |
| Salary Escalation Rate (p.a.) | 12.50%          | 12.50%    | 12.50%    | 12.50%    |

10. Deferred tax liabilities ₹ 73,69,488 (net) as on March 31, 2021, has mainly arisen on account of timing difference on depreciation, provision for gratuity and leave encashment.

#### 11. Dues to Micro, Small and Medium Enterprises:

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

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| Particulars  | Amount (₹ in lakhs) |
|--|---------------------|
| <b>Amount due and payable at the year end</b>                  |                     |
| -Principle   | 307                 |
| -Interest*   | 0                   |
| Interest due and payable for principals already paid*          | 0                   |
| <b>Total Interest accrued and remained unpaid at year end*</b> | 0                   |

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act, 2006 by requesting confirmation from vendors to the emails circularized by the Company.

\*The Company has not received demand for such interest from any of the micro and small enterprise.

12. Contingent Liabilities: Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. Contingents not provided for are as below:

- 1) Outstanding Bank Guarantees ₹ 55.27 lakhs (Previous Year: ₹ 54.62 lakhs).
- 2) Disputed demands:
  - a) A demand contested by the Company in respect of Sales Tax/Central Sales Tax ₹ 98.58 lakhs (Previous Year: 98.58 lakhs).
  - b) Claim by Local Municipal Body at Faridabad for ₹154.22 lakhs towards External Development Charges (EDC) and Interest which has been contested by the Company in the court of law (Previous Year: 154.22 lakhs).
  - c) Claim by Mr. Ajay Joshi, an ex-employee of the Company for ₹41.50 lakhs towards allegations of wrongful termination (Previous Year: 41.50 lakhs).
  - d) A demand contested by Company in respect of GST/Goods & Service Tax ₹ 135.87 lakhs (Previous Year: ₹135.87 lakhs).

13. Earnings per Share: Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The basis adopted for calculation of the basic and diluted earnings per equity share is as stated below:

| Particulars  | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| Profit/(loss) after taxation (₹ in lakhs)*                           | 613       | 85        |
| Weighted average number of equity shares outstanding during the year | 29,78,803 | 29,78,803 |
| Basic & diluted earnings per share (in ₹)                            | 20.58     | 2.86      |
| Nominal Value per share (in ₹)                                       | 10        | 10        |

\* The profit for the current year includes profit of Rs.294 lakhs (previous year Rs.27 lakhs) on sale of some old plant and machineries.

14. Foreign Exchange Earning/Outgo: (₹ in lakhs)

| Particulars                     | 2020-2021 | 2019-2020 |
|---------------------------------|-----------|-----------|
| <b>Earning</b>                  |           |           |
| FOB value of exports            | 1,823     | 1,498     |
| <b>Outgo</b>                    |           |           |
| Expenses                        | 3         | 84        |
| Import of professional services | 7         | Nil       |
| Import of consumable goods      | Nil       | Nil       |

15. Related party disclosure as per AS-18:

|                 |    |
|-----------------|----|
| Holding Company | NA |
| Subsidiaries    | NA |

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|   |  |
|---|--|
| Fellow Subsidiaries   | NA   |
| Associates  | NA   |
| Key Management Personal (KMP) & relatives of KMP                          | KMP: Mr. Dipak Raj Sood,<br>Relatives of KMP: NA   |
| Enterprises over which KMP or relatives of KMP have significant influence | Sudtrac Linkages Pvt. Ltd.<br>Precision Machtech Pvt. Ltd.<br>Track Systems India Pvt. Ltd.<br>Venture Highway LLP |

### RELATED PARTY TRANSACTION:

| Nature of Transaction     | Subsidiaries<br>(₹ in lakhs) | Key Management and relative of<br>Key Management Personnel (₹ in<br>lakhs) | Enterprises over which Key<br>Management Personnel or relatives have<br>significant influence (₹ in lakhs) | Total (₹ in<br>lakhs) |
|---------------------------|------------------------------|--|--|-----------------------|
| Purchase of goods         | Nil<br>(Nil)                 | Nil<br>(Nil)   | 1<br>(11)  | 1<br>(11)             |
| Sale of goods             | Nil<br>(Nil)                 | Nil<br>(Nil)   | 463<br>(535)   | 463<br>(535)          |
| Purchase of services      | Nil<br>(Nil)                 | Nil<br>(Nil)   | 325<br>(354)   | 325<br>(354)          |
| Rent Paid                 | Nil<br>(Nil)                 | Nil<br>(Nil)   | 4<br>(4)   | 4<br>(4)              |
| Rent Received             | Nil<br>(Nil)                 | Nil<br>(Nil)   | 6<br>(7)   | 6<br>(7)              |
| Purchase of fixed assets  | Nil<br>(Nil)                 | Nil<br>(Nil)   | Nil<br>(6)   | Nil<br>(6)            |
| Job work charges received | Nil<br>(Nil)                 | Nil<br>(Nil)   | 37<br>(14)   | 37<br>(14)            |
| Job work charges<br>paid  | Nil<br>(Nil)                 | Nil<br>(Nil)   | 33<br>(76)   | 33<br>(76)            |
| Director's remuneration   | Nil<br>(Nil)                 | 393<br>(393)   | Nil<br>(Nil)   | 375<br>(393)          |
| Sale of Fixed Assets      | Nil<br>(Nil)                 | Nil<br>(Nil)   | Nil<br>(17)  | Nil<br>(17)           |

### 16. Details of remuneration paid to auditors: (in lakhs)

| Particulars                | 2020-2021 | 2019-2020 |
|----------------------------|-----------|-----------|
| For Audit Fees             | 5.00      | 5.00      |
| For Taxation Matters       | 3.00      | 3.45      |
| For Company Law Matter     | 0.06      | 0.04      |
| For Expenses Reimbursement | 0.00      | 0.00      |

17. As outlined in the previous year's annual financial report, in view of COVID and lockdown related difficulties the Company reduced the extent of its credit facility with HDFC bank in the previous financial year to a non-fund-based limit of Rs.50 lacs for utilisation as Bank Guarantees. This was against fixed deposits lien to the bank as collateral. The same limit was continued to be put to use by the Company throughout the FY 2020-21 and no further enhancements or decrease was sought to the limit by the Company.

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In the past, the Company utilised credit facilities from erstwhile State Bank of Mysore (Now State Bank of India) for issuance of Bank Guarantees to its Chennai based ordnance board customers. Over the years, these Bank Guarantees have expired, and the Company is in process of getting these Bank Guarantees retired from the customers and returning the same to the Bank. The Company expects this facility to be closed and collateral to be released in FY 2021-22.

18. CSR Expenditure:

- a) Gross Amount required to be spent- Rs. 23.00 lakhs (Previous year: 20.02 lakhs)
- b) Amount spent during the year on:
  - Construction/ Acquisition of any assets: Nil
  - Purpose other than above: Rs. 18.53 lakhs

19. Rs. 47,09,755 paid to Maharashtra Sales Tax authorities in Pune Unit against disputed demands of sales tax have been shown as Deposit with Government Authorities, under Long-term Loans & Advances. The Company has challenged the demands so raised and final adjustment will be made once the cases are decided.

20. Previous year figure has been regrouped/rearrange wherever considered necessary to correspond with the current year's classification/disclosure.

For Chachan & Lath LLP  
Chartered Accountants  
(Firm Registration No.- 015012N)

**For India Forge & Drop Stampings Ltd.**

**CA. Dharmendra Kumar Chachan**

Designated Partner  
(Membership Number: 094930)  
Place: Delhi  
Date: November 07, 2021  
UDIN: 21094930AAAABD1553

**Dipak Raj Sood**

Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

**Samir Sood**

Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

# INDIA FORGE & DROP STAMPINGS LTD.

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## SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

### 1. Basis for preparation of Accounts:

The financial statements of the Company have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) read with Companies (Accounts) Rules, 2014 as amended. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

### 2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### 3. Revenue Recognition:

Sale of Goods: Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns, sales tax, value added tax, GST etc.

Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

Dividend income is accounted for on receipt basis.

Revenue in respect of other income is recognized when there is reasonable certainty of its ultimate realization/collection.

### 4. Impairment of Assets:

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

### 5. Property, Plant and Equipment:

Items of property, plant and equipment are stated at the cost less depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non –refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure related to an item of property, plant and equipment is capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the company.

All other expenditure related to existing asset including day-to-day repair and maintenance expenditure and cost of small parts, are charged to profit and loss in the period during such expenditure is incurred.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions to fixed assets during the year has been provided on pro-rata basis from the date of such additions. Depreciation on assets sold, discarded, or demolished has been provided on pro-rata basis.

An item of property, plant and equipment is derecognized upon disposal or when no future income benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit and loss.

### 6. Government Subsidies:

Subsidies if any, received from state / central government are treated as capital grants and credited to capital reserve.

# INDIA FORGE & DROP STAMPINGS LTD.

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## 7. Inventory Valuation:

Inventories are valued at lower of cost and net realizable value.

For valuation of stock of raw material and bought-out components and forgings, cost is taken as per the first in first out method. Cost includes taxes, and duties (other than duties and taxes for which CENVAT/VAT credit is available), freight and other direct expenses.

For valuation of work-in-progress, cost includes material, direct labor, overheads (other than selling and administrative) etc.

For valuation of finished goods, cost includes material, direct labor, overheads (other than selling and administrative), excise duty and cess, wherever applicable.

## 8. Retirement/Post Retirement Benefits:

Short-term employee benefits, in respect of reimbursement of medical allowance/expenses, the liability has been fully provided on undiscounted basis, in accordance with the schemes in force.

The contribution to Provident Fund (defined contribution plan), as per the provision of the Employees' Provident Funds and Miscellaneous Provision Act, 1952, is recognized as expense, charged to Statement of Profit & Loss and remitted to the Provident Fund Commissioner. The Company has no other obligations than the monthly contributions.

The Company's liability towards retirement benefits, in the form of gratuity (defined benefit plan) and leave encashment benefits payable as per Company's scheme are charged to Statement of Profit & Loss on the basis of actuarial valuation made at the end of each financial year by an independent actuary.

Actuarial gain/loss is recognized in the Statement of Profit & Loss in the year in which they arise.

## 9. Taxes on Income:

Current tax is provided as per the provisions of the Income Tax Act, 1961.

Deferred tax arising on account of timing difference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognized at the income tax rates enacted or substantially enacted as on the Balance Sheet date.

## 10. Foreign Exchange transaction:

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the Balance Sheet date. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

## 11. Investment:

Current Investment are valued at current value or cost whichever is less. Long term Investment is stated at cost less provision for permanent diminution in value, if any.

## 12. Provisions and Contingent Liability:

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligations. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

## 13. Earnings Per Share:

Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

# **INDIA FORGE & DROP STAMPINGS LTD.**

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## **14. Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash on hand, balances with banks, fixed deposits with banks and margin money with banks against the performance guarantees.

## **15. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extra-ordinary item and tax is adjusted for the effects of transaction of non-cash nature. The cash flow from operating, investing, and financing activities of the Company are segregated based on the available information.

## **16. Borrowing Cost:**

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing cost are recognized in profit or loss for the period in which they are incurred.

# Chachan & Lath LLP

Chartered Accountants

(Firm Registration Number: 015012N)

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIA FORGE & DROP STAMPINGS LTD.**

### **UNMODIFIED OPINION**

We have audited the Consolidated Financial Statements of India Forge & Drop Stampings Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 aforesaid Consolidated 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, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows for the year ended on that date.

### **BASIS FOR UNMODIFIED OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

### **INFORMATION OTHER THAN THE CONSOLIDATED 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 the Board's Report including Annexures to Board's Report but does not include the Consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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.

### **EMPHASIS OF MATTER**

We draw the attention to the note number 26(1) of the financial results, wherein the Company has disclosed its assessment of the Covid-19 pandemic on the Company. As mentioned therein, the assessment of the management does not indicate any material effect on the carrying value of assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a going concern. The assessment of the management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

### **OUR OPINION IS NOT MODIFIED IN RESPECT OF THIS MATTER.**

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 of these Consolidated financial statements 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 under section 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 provision 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the Consolidated 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.

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

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Standard on Auditing, 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 Consolidated 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 Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Consolidated 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 Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
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 purposes of our audit.

# Chachan & Lath LLP

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- 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
- d) In our opinion, the aforesaid Consolidated financial statements comply with 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, 2021, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.
- g) 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 explanations given to us:
  - i. The Company, as detailed in Note 26 (12) to the Consolidated financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2021.
  - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

For **Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

Place: Delhi

Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**

Designated Partner

(Membership Number: 094930)

UDIN: 21094930AAAABE7813

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 1 of **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS** of the Auditors' Report to the members of India Forge & Drop Stampings Ltd. on the accounts for the year ended March 31, 2021. We report that:

- (i) (a) ***In our opinion and according to the explanations given to us, the Company has yet to update records showing full particulars including quantitative details and situation of fixed assets.***
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased and periodically manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Since

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the fixed assets records are under update, we cannot comment about the discrepancies on such verification as compared to books of accounts.

- (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 held in the name of the Company.
- (ii) According to the information and explanation given to us, inventories has been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on verification between the physical stock and the book stock, wherever ascertained were not significant and have been properly dealt with in the books of accounts.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, clauses (iii) (a) to (c) of the paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of Sections 73 to 76, directives issued by the Reserve Bank of India or any other relevant provisions of Companies Act, 2013 and rules framed there under.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013, for forgings, one of the Company's products. We have broadly reviewed such accounts and records and are of the opinion that prima-facie, the prescribed accounts, and records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amount in respect to the statutory dues referred to above were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there is no disputed amount in respect of statutory dues referred to above were outstanding as at March 31, 2021 except the following:
  - a) Disputed demand contested by Company in respect of GST/Goods & Service Tax ₹ 135.87 lakhs (Previous Year: ₹135.87 Lakhs).
  - b) ₹ 19.56 lakhs, demand of Sales Tax/Central Sales Tax (Appeal lying with Maharashtra Sales Tax Tribunal, Mumbai) for financial year 2005-06.
  - c) ₹ 69 lakhs, demand of Sales Tax (Appeal lying with Maharashtra Sales Tax Tribunal, Mumbai) for financial year 2009-10.
  - d) ₹ 10.02 lakhs, demand of Sales Tax (Appeal lying with the Joint Commissioner of Sales Tax, Pune) for financial year 2013-14.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company does not have any loans or borrowings from government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our Opinion and according to the information and explanations given to us, monies raised by way of term loans during the year have been applied by the Company for the purpose for which they were raised.
- (x) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

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- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Hence the provisions of clause (xii) of the Order are not applicable to the Company.
- (xii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanation given to us, the Company has not entered into non-cash transaction with directors or persons connected with them. Hence the provisions of clause (xv) of the Order are not applicable to the Company.
- (xv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

Place: Delhi

Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**

Designated Partner

(Membership Number: 094930)

UDIN: 21094930AAAABE7813

# Chachan & Lath LLP

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## **ANNEXURE B TO THE AUDITORS' REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of India Forge & Drop Stampings Ltd. ("the Company") as of March 31, 2021 in conjunction with our audit of the Consolidated financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was 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 auditor's judgement, including the assessment of the risks of material misstatement of the 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 CONTROLS 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 purposes 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 payments of the company are being made only in accordance with authorizations of 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 misstatements 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**

# **Chachan & Lath LLP**

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In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

For **Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

Place: Delhi

Date: November 07, 2021

**CA. Dharmendra Kumar Chachan**

Designated Partner

(Membership Number: 094930)

UDIN: 21094930AAAABE7813

# INDIA FORGE & DROP STAMPINGS LIMITED

## Consolidated Balance Sheet as at March 31, 2021

|                                    |   |      |                            | (Amount in Rs.)            |  |
|------------------------------------|---|------|----------------------------|----------------------------|--|
| SN.                                | Particulars   | Note | As at March 31, 2021       | As at March 31, 2020       |  |
| <b>(A) EQUITY AND LIABILITIES</b>  |   |      |                            |                            |  |
| <b>SHAREHOLDERS' FUNDS</b>         |   |      |                            |                            |  |
|                                    | Share capital   | 1    | 2,97,88,030                | 2,97,88,030                |  |
|                                    | Reserves and surplus  | 2    | <u>51,27,00,146</u>        | <u>45,11,86,152</u>        |  |
|                                    |   |      | <b>54,24,88,176</b>        | <b>48,09,74,182</b>        |  |
| <b>(B) NON-CURRENT LIABILITIES</b> |   |      |                            |                            |  |
|                                    | Long-term liabilities   | 3    | -                          | 18,69,748                  |  |
|                                    | Deferred tax liabilities (net)                                |      | 73,69,488                  |                            |  |
|                                    | Long-term provisions  | 4    | <u>2,02,34,626</u>         | <u>2,81,60,589</u>         |  |
|                                    |   |      | <b>2,76,04,114</b>         | <b>3,00,30,337</b>         |  |
| <b>(C) CURRENT LIABILITIES</b>     |   |      |                            |                            |  |
|                                    | Short-term borrowings   | 5    | -                          | -                          |  |
|                                    | <b>Trade payables</b>   | 6    |                            |                            |  |
|                                    | Total outstanding dues of micro and small enterprises         |      | 1,80,50,154                | 67,84,032                  |  |
|                                    | Total outstanding dues other than micro and small enterprises |      | 12,30,90,628               | 5,89,77,148                |  |
|                                    | Other current liabilities                                     | 7    | 7,89,06,950                | 4,55,03,476                |  |
|                                    | Short-term provisions   | 8    | <u>3,72,18,797</u>         | <u>3,96,12,271</u>         |  |
|                                    |   |      | <b>25,72,66,529</b>        | <b>15,08,76,927</b>        |  |
|                                    | <b>Grand Total (A+B+C)</b>                                    |      | <u><b>82,73,58,819</b></u> | <u><b>66,18,81,446</b></u> |  |
| <b>ASSETS</b>                      |   |      |                            |                            |  |
| <b>(A) NON-CURRENT ASSETS</b>      |   |      |                            |                            |  |
|                                    | Property, Plant and Equipments : Tangible assets              | 9    | 19,25,73,710               | 18,13,85,993               |  |
|                                    | Non-current investments                                       | 10   | 11,39,339                  | 9,89,339                   |  |
|                                    | Deferred tax asset (net)                                      |      | -                          | 95,774                     |  |
|                                    | Long-term loans and advances                                  | 11   | <u>1,98,33,883</u>         | <u>2,06,91,701</u>         |  |
|                                    |   |      | <b>21,35,46,932</b>        | <b>20,31,62,808</b>        |  |
| <b>(B) CURRENT ASSETS</b>          |   |      |                            |                            |  |
|                                    | Current investments   | 12   | 5,44,13,311                | 8,77,10,896                |  |
|                                    | Inventories   | 13   | 14,95,67,325               | 9,24,14,730                |  |
|                                    | Trade receivables   | 14   | 28,34,66,292               | 15,37,70,619               |  |
|                                    | Cash and bank balances  | 15   | 7,69,10,095                | 6,37,49,791                |  |
|                                    | Short-term loans and advances                                 | 16   | 4,69,91,326                | 5,88,64,495                |  |
|                                    | Other current assets  | 17   | <u>24,63,538</u>           | <u>22,08,106</u>           |  |
|                                    |   |      | <b>61,38,11,887</b>        | <b>45,87,18,638</b>        |  |
|                                    | <b>Grand Total (A+B)</b>                                      |      | <u><b>82,73,58,819</b></u> | <u><b>66,18,81,446</b></u> |  |

### Significant Accounting Policies and Notes on Financial Statements 26

Notes 1 to 26 referred above form an integral part of the Financial Statements

As per our Report of even date

**For Chachan & Lath LLP**

Chartered Accountants

(Firm Registration Number: 015012N)

**For & on behalf of the Board**

**CA. Dharmendra Kumar chachan**

Designated Partner

(Membership Number: 094930)

Place: Delhi

Date: November 07, 2021

UDIN: 21094930AAAABE7813

**Dipak Raj Sood**

Vice-chairman (Whole-time Director)

(DIN: 01516073)

Address: G-10, Maharani Bagh,

New Delhi-110065

**Samir Sood**

Director

(DIN: 02627166)

Address: G-10, Maharani Bagh,

New Delhi -110065

# INDIA FORGE & DROP STAMPINGS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Amount in Rs.)

| SN.        | Particulars   | Note   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------------|---|--------|--------------------------------------|--------------------------------------|
| <b>(A)</b> | <b>INCOME:</b>  |        |                                      |                                      |
| 1          | Revenue from operations   | 18     | 1,43,54,06,633                       | 1,21,31,65,593                       |
| 2          | Other income  | 19     | 4,77,31,498                          | 3,45,40,268                          |
|            | <b>Grand Total (1+2)</b>  |        | <b>1,48,31,38,131</b>                | <b>1,24,77,05,861</b>                |
| <b>(B)</b> | <b>EXPENDITURE:</b>   |        |                                      |                                      |
| 1          | Cost of materials consumed  | 20     | 79,10,64,339                         | 59,49,86,860                         |
| 2          | Change in inventory of work in progress                                       | 21     | -1,82,23,100                         | 2,36,77,888                          |
| 3          | Employee benefits expense   | 22     | 12,49,22,967                         | 11,69,53,867                         |
| 4          | Finance costs   | 23     | 1,57,074                             | 3,86,705                             |
| 5          | Depreciation and amortisation expense   | 24     | 3,12,45,246                          | 3,01,80,482                          |
| 6          | Other expenses  | 25     | 47,12,79,807                         | 46,46,37,704                         |
|            | <b>Grand Total (1+2+3+4+5+6)</b>  |        | <b>1,40,04,46,333</b>                | <b>1,23,08,23,506</b>                |
| <b>(C)</b> | <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS (A) - (B)</b>                       |        | <b>8,26,91,798</b>                   | <b>1,68,82,355</b>                   |
| <b>(D)</b> | <b>EXCEPTIONAL ITEMS</b>  | 26(17) | -                                    | -                                    |
| <b>(E)</b> | <b>PROFIT/(LOSS) BEFORE TAX (C) - (D)</b>                                     |        | <b>8,26,91,798</b>                   | <b>1,68,82,355</b>                   |
| <b>(F)</b> | <b>TAX EXPENSE:</b>   |        |                                      |                                      |
|            | Current tax   |        | 1,37,86,795                          | 41,46,875                            |
|            | Deferred tax expenses/ (saving)   |        | 74,65,262                            | 30,23,644                            |
|            | Mat credit entitlement/ (utilisation)   |        | 74,253                               | -11,97,340                           |
| <b>(E)</b> | <b>PROFIT/(LOSS) FOR THE YEAR (E) - (F)</b>                                   |        | <b>6,15,13,994</b>                   | <b>85,14,496</b>                     |
|            | <b>Earning per equity share (EPS)</b>   |        |                                      |                                      |
|            | Weighted average number of equity shares in calculating basic and diluted EPS |        | 29,78,803                            | 29,78,803                            |
|            | Basic and diluted EPS (Nominal value of shares ₹ 10/- each)                   |        | 20.65                                | 2.86                                 |

Significant Accounting Policies and Notes on Financial Statements 26

Notes 1 to 26 referred above form an integral part of the Financial Statements

As per our Report of even date

For Chachan & Lath LLP

Chartered Accountants

(Firm Registration Number: 015012N)

For & on behalf of the Board

CA. Dharmendra Kumar chachan

Designated Partner

(Membership Number: 094930)

Place: Delhi

Date: November 07, 2021

UDIN: 21094930AAAABE7813

Dipak Raj Sood

Vice-chairman (Whole-time Director)

(DIN: 01516073)

Address: G-10, Maharani Bagh,

New Delhi-110065

Samir Sood

Director

(DIN: 02627166)

Address: G-10, Maharani Bagh,

New Delhi -110065



**INDIA FORGE & DROP STAMPINGS LIMITED**  
**Consolidated Cash Flow Statement for the year ended on March 31, 2021**

(Amount in Rs.)

| Particulars   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|---|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                 |                              |                              |
| Net Profit/(Loss) before tax                                  | 8,26,91,798                  | 1,68,82,355                  |
| <b>Adjustment for:</b>  |                              |                              |
| Depreciation and amortisation                                 | 3,12,45,246                  | 3,01,80,482                  |
| (Profit)/loss on disposal of fixed assets (Net)               | (2,93,63,607)                | (27,23,560)                  |
| Provision for doubtful debts (Net)                            | -                            | -                            |
| Provision for Gratuity and Leave Encashment (Net)             | (12,16,776)                  | 26,63,561                    |
| Interest Income   | (24,19,593)                  | (21,76,591)                  |
| Rent Income   | (4,94,000)                   | (6,00,000)                   |
| Dividend Income   | (25,863)                     | (25,70,150)                  |
| Interest Expense  | 1,57,074                     | 3,86,705                     |
| (Profit)/loss on Investment                                   | (1,00,38,102)                | (47,63,784)                  |
| <b>Operating Profit/(Loss) before working capital changes</b> | <b>7,05,36,176</b>           | <b>3,72,79,018</b>           |
| <b>Movement in working capital:</b>                           |                              |                              |
| Increase/(decrease) in trade payables and provisions          | 7,53,79,602                  | (3,00,08,255)                |
| Increase/(decrease) in other current liabilities              | 2,43,00,813                  | (3,87,44,499)                |
| Decrease / (increase) in trade receivable                     | (12,96,95,672)               | 5,70,47,244                  |
| Decrease/(increase) in inventories                            | (5,71,52,595)                | 3,08,46,175                  |
| Decrease/(increase) in loans and advances                     | 95,18,445                    | (7,36,806)                   |
| Decrease/(increase) in other current assets                   | (2,55,432)                   | 27,53,178                    |
| <b>Cash generated from/(used in) operations</b>               | <b>(73,68,663)</b>           | <b>5,84,36,054</b>           |
| Direct taxes paid   | (1,05,00,000)                | (30,00,000)                  |
| <b>Net cash flow from/(used in) operating activities (A)</b>  | <b>(1,78,68,663)</b>         | <b>5,54,36,054</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                 |                              |                              |
| Purchase of Investments                                       | (10,76,45,875)               | -                            |
| Sale of Investment  | 14,07,93,460                 | 4,24,53,956                  |
| Purchase of fixed assets                                      | (4,25,69,704)                | (2,24,50,517)                |
| Proceed from sale of fixed assets                             | 2,95,00,349                  | 27,23,560                    |
| Profit/(loss) from sale of Investment                         | 1,00,38,102                  | 47,63,784                    |
| Rent Income   | 4,94,000                     | 6,00,000                     |
| Dividend Received   | 25,863                       | 25,70,150                    |
| Interest received   | 24,19,593                    | 21,76,591                    |
| <b>Net cash flow from/(used in) investing activities (B)</b>  | <b>3,30,55,788</b>           | <b>3,02,64,507</b>           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                 |                              |                              |
| Proceeds/(repayment) from short term borrowings               |                              | (4,43,39,500)                |
| Proceeds/(repayment) from long term borrowings                | (18,69,748)                  | 18,69,748                    |
| Loans to Subsidiary   |                              | -                            |
| Interest paid   | (1,57,074)                   | (3,86,705)                   |
| <b>Net cash flow from/(used in) financing activities (C)</b>  | <b>(20,26,822)</b>           | <b>(4,28,56,457)</b>         |
| Net Increase/(decrease) in cash and bank balances             | 1,31,60,303                  | 4,28,46,971                  |
| Cash and bank balances at the beginning of the year           | 6,37,49,791                  | 2,09,02,820                  |
| <b>Cash and bank balances at the end of the year</b>          | <b>7,69,10,095</b>           | <b>6,37,49,791</b>           |
| <b>Components of cash and bank balances</b>                   |                              |                              |
| Cash on hand  | 5,73,717                     | 15,15,680                    |
| In current account  | 2,72,66,539                  | 4,91,64,314                  |
| In deposit accounts   | 4,90,69,839                  | 1,30,69,798                  |
|   | <b>7,69,10,095</b>           | <b>6,37,49,791</b>           |

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS-3) on Cash Flow Statement.
- Negative figures have been shown in brackets.
- Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report attached  
**For Chachan & Lath LLP**  
Chartered Accountants  
(Firm Registration Number: 015012N)

**For & on behalf of the Board**

**CA. Dharmendra Kumar chachan**  
**Designated Partner**  
**(Membership Number: 094930)**  
**Place: Delhi**  
**Date: November 07, 2021**  
**UDIN: 21094930AAAABE7813**

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

## INDIA FORGE & DROP STAMPINGS LIMITED

Consolidated Notes to Financial Statements for the year ended March, 2021

(Amount in Rs.)

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>NOTE 1 : SHARE CAPITAL</b>                                  |                      |                      |
| Authorized   | 5,00,00,000          | 5,00,00,000          |
| 47,50,000 Equity shares of ₹ 10/- each                         | 4,75,00,000          | 4,75,00,000          |
| 25,000 Redeemable cumulative preference shares of ₹ 100/- each | 25,00,000            | 25,00,000            |
| Issued   |                      |                      |
| 33,91,247 Equity shares of ₹ 10/- each                         | 3,39,12,470          | 3,39,12,470          |
| Subscribed and Paid-up   |                      |                      |
| 29,78,803 Equity shares of ₹ 10/- each fully paid up           | 2,97,88,030          | 2,97,88,030          |
|  | <b>2,97,88,030</b>   | <b>2,97,88,030</b>   |

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10/- each and redeemable cumulative preference shares of ₹ 100/- each. Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he/she is present in person and on a poll shall have the right to vote in proportion to his/her share in the paid-up capital of the Company.

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

| The details of shareholders holding more than 5% shares as at March 31, 2021 |                         |                        |        |                        |        |
|--|-------------------------|------------------------|--------|------------------------|--------|
| SN.  | Name of the shareholder | As at 31st March, 2021 |        | As at 31st March, 2020 |        |
|  |                         | No. of Shares          | % held | No. of Shares          | % held |
| 1  | Dipak Raj Sood          | 14,33,516              | 48.12  | 14,33,616              | 48.13  |
| 2  | Rupa Sood               | 14,30,895              | 48.04  | 14,30,895              | 48.04  |

| The reconciliation of the number of shares outstanding is set out below: |                      |                    |                      |                    |
|--|----------------------|--------------------|----------------------|--------------------|
| Particulars  | As at March 31, 2021 |                    | As at March 31, 2020 |                    |
|  | No. of Shares        | Amount in (₹)      | No. of Shares        | Amount in (₹)      |
| Equity shares at the beginning of the year                               | 29,78,803            | 2,97,88,030        | 29,78,803            | 2,97,88,030        |
| Add: Equity shares issued during the year                                | -                    | -                  | -                    | -                  |
| Less: Equity shares bought back during the year                          | -                    | -                  | -                    | -                  |
| <b>Equity shares at the end of the year</b>                              | <b>29,78,803</b>     | <b>2,97,88,030</b> | <b>29,78,803</b>     | <b>2,97,88,030</b> |

### NOTE 2 : RESERVES AND SURPLUS

|  |                     |                     |
|--|---------------------|---------------------|
| Capital reserve  | 23,64,000           | 23,64,000           |
| Securities premium   | 53,23,600           | 53,23,600           |
| General reserve  | 9,00,35,500         | 9,00,35,500         |
| Surplus  |                     |                     |
| Opening balance of profit & loss a/c                                     | 35,34,63,052        | 34,49,48,555        |
| Net profit/ (loss) after tax transferred from Statement of Profit & Loss | 6,15,13,994         | 85,14,496           |
| Earlier year tax   | -                   | -                   |
| Closing balance  | 41,49,77,046        | 35,34,63,052        |
| <b>Grand Total</b>   | <b>51,27,00,146</b> | <b>45,11,86,152</b> |

### NOTE 3 : LONG-TERM BORROWING

|   |   |           |
|---|---|-----------|
| Term Loans  |   |           |
| From Banks  |   |           |
| From other parties  |   |           |
| Deferred payment liabilities                                |   |           |
| Loans and advances from related parties                     |   |           |
| Loans for vehicles  | - | 18,69,748 |
| (Note: secured by way of hypothecation of vehicle financed) | - | 18,69,748 |

### NOTE 4 : LONG-TERM PROVISIONS

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Provision for employee benefits: |                    |                    |
| For gratuity                     | 1,25,49,829        | 2,09,04,084        |
| For leave encashment             | 76,84,797          | 72,56,505          |
|                                  | <b>2,02,34,626</b> | <b>2,81,60,589</b> |

**NOTE 5 : SHORT TERM BORROWINGS**

|   |          |          |
|---|----------|----------|
| Inter Branches Balances                 | -        | -        |
| Loan repayable on demand                | -        | -        |
| Loans and advances from related parties | -        | -        |
| Deposits                                | -        | -        |
| Other loans and advances                | -        | -        |
| Preshipment credit in foreign currency  | -        | -        |
|   | <u>-</u> | <u>-</u> |

**NOTE 6 : TRADE PAYABLES**

|   |                            |                    |
|---|----------------------------|--------------------|
| Total outstanding dues of micro and small enterprises         | <b>1,80,50,154</b>         | 67,84,032          |
| Total outstanding dues other than micro and small enterprises | <b>12,30,90,628</b>        | 5,89,77,148        |
|   | <u><b>14,11,40,782</b></u> | <u>6,57,61,180</u> |

**NOTE 7 : OTHER CURRENT LIABILITIES**

|   |                           |                    |
|---|---------------------------|--------------------|
| Current maturities of long term debt                          |                           |                    |
| Current maturity of long term debts (vehicles)                | -                         | 4,42,976           |
| Current maturities of finance lease obligation                |                           |                    |
| Bank book overdraft   | -                         | -                  |
| Advances from customers                                       | <b>14,68,182</b>          | 10,86,110          |
| <b>Other payables:</b>  |                           |                    |
| Creditors for expenses  |                           |                    |
| Total outstanding dues of micro and small enterprises         | <b>1,26,51,316</b>        | 18,83,350          |
| Total outstanding dues other than micro and small enterprises | <b>3,90,16,668</b>        | 2,80,99,873        |
| Statutory dues  | <b>1,87,58,349</b>        | 70,88,101          |
| Others  | <b>70,12,435</b>          | 69,03,066          |
| <b>TOTAL</b>  | <u><b>7,89,06,950</b></u> | <u>4,55,03,476</u> |

**NOTE 8 : SHORT TERM PROVISIONS**

|                                 |                           |                    |
|---------------------------------|---------------------------|--------------------|
| Provision for employee benefits |                           |                    |
| Provision for gratuity          | <b>40,26,794</b>          | 40,70,300          |
| Provision for leave encashment  | <b>67,52,693</b>          |                    |
| Provision for expenses          | <b>85,05,641</b>          | 32,95,097          |
| Provision for tax               | <b>1,79,33,669</b>        | 3,22,46,875        |
|                                 | <u><b>3,72,18,797</b></u> | <u>3,96,12,271</u> |

**NOTE 9 : PROPERTY, PLANT AND EQUIPMENTS**

| Particulars of Assets | Gross Block               |                           |                                      |                            | Depreciation        |                    |                    |                     | Net Block           |                     |
|-----------------------|---------------------------|---------------------------|--------------------------------------|----------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                       | Total Cost upto 31.3.2020 | Additions during the year | Deletion/ Adjustment during the year | Total Cost upto 31.03.2021 | Upto 1.4.2020       | For the Year       | Sales/Deletion     | Upto 31.03.2021     | As at 31.03.2021    | As at 31.3.2020     |
| Land & Buildings      | 6,24,83,688               | -                         | -                                    | 6,24,83,688                | 3,60,85,023         | 10,84,435          | -                  | 3,71,69,458         | 2,53,14,230         | 2,63,98,664         |
| Plant & Equipment     | 58,95,97,396              | 4,10,42,679               | 1,05,91,331                          | 62,00,48,744               | 45,20,09,024        | 2,48,80,300        | 1,05,91,331        | 46,62,97,993        | 15,37,50,751        | 13,75,88,372        |
| Mobile Equipments/    | 4,29,52,830               | 82,720                    | 20,92,713                            | 4,09,42,837                | 3,24,73,173         | 29,50,311          | 19,55,971          | 3,34,67,514         | 74,75,324           | 1,04,79,657         |
| Furniture & Fixtures  | 39,31,640                 | 6,76,734                  | -                                    | 46,08,374                  | 26,87,784           | 3,90,544           | -                  | 30,78,329           | 15,30,046           | 12,43,856           |
| Office Equipments     | 3,31,34,023               | 7,67,571                  | -                                    | 3,39,01,595                | 2,74,58,579         | 19,39,655          | -                  | 2,93,98,235         | 45,03,360           | 56,75,444           |
| <b>Current Year</b>   | <b>73,20,99,577</b>       | <b>4,25,69,704</b>        | <b>1,26,84,044</b>                   | <b>76,19,85,237</b>        | <b>55,07,13,584</b> | <b>3,12,45,246</b> | <b>1,25,47,302</b> | <b>56,94,11,528</b> | <b>19,25,73,710</b> | <b>18,13,85,993</b> |
| <i>Previous Year</i>  | <i>70,96,49,060</i>       | <i>2,24,50,517</i>        | <i>-</i>                             | <i>73,20,99,577</i>        | <i>52,05,33,099</i> | <i>3,01,80,485</i> | <i>-</i>           | <i>55,07,13,584</i> | <i>18,13,85,993</i> | <i>18,91,15,959</i> |

**NOTE 10: NON CURRENT INVESTMENTS****Trade, Unquoted:**

Investment in share capital of subsidiary company - -

(100,000\* Equity shares of ₹ 10/- each fully paid in India Forge Auto Products Pvt. Ltd.

\*Out of it 10 Equity shares are held in the name of Mrs. Rupa Sood, as nominee)

**Non-Trade, Quoted:**

|  |                         |                 |
|--|-------------------------|-----------------|
| Non-current-quoted-fully paid up units of mutual funds | <b>10,00,000</b>        | 8,50,000        |
| Long term Investments (Bonds)                          | <b>1,39,339</b>         | 1,39,339        |
| (Refer detailed annexure of Investment)                |                         |                 |
|  | <u><b>11,39,339</b></u> | <u>9,89,339</u> |

**INDIA FORGE & DROP STAMPINGS LIMITED**

**Auxiliary of Investment**

| Instrument Name  | Current/ Non-current | Quoted/ Unquoted | Trade/ Non-trade | Under lien/Free whom, if any | Lien with whom, if any | March 31, 2021         |                  |                                  | March 31, 2020    |                        |                   |                                  |                    |            |
|--|----------------------|------------------|------------------|------------------------------|------------------------|------------------------|------------------|----------------------------------|-------------------|------------------------|-------------------|----------------------------------|--------------------|------------|
|  |                      |                  |                  |                              |                        | Number of Units/Shares | Cost             | Provision for Diminution, if any | Market Value      | Number of Units/Shares | Cost              | Provision for Diminution, if any | Market Value       |            |
| 7.28% NHAI Sep 2030 Tax Free Bond                            | Non Current          | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | -                      | -                 | -                                | -                  | -          |
| 7.35% NHAI March 2031 Tax Free Bond                          | Non Current          | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | -                      | -                 | -                                | -                  | -          |
| PTC Tax Free Bonds   | Non Current          | Quoted           | Non Trade        | Free                         | None                   | 103,000                | 100,339          | -                                | 112,817           | 103,000                | 100,339           | -                                | 112,817            | 14,198,023 |
| Birla Sunlife Dynamic Bond Fund                              | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 426,090,666            | 7,830,609         | -                                | -                  | -          |
| DSP Liquidity Fund- Regular Plan-Growth                      | Current              | Quoted           | Non Trade        | Free                         | None                   | 6,871.73               | 19,453,920       | -                                | 19,757,874        | -                      | -                 | -                                | -                  | -          |
| DSP Black Rock Income Opportunities Fund-DYK-4592963/58      | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 318,458,94             | 9,000,000         | -                                | 9,734,207          | -          |
| DSP Black Rock Income Opportunities Fund-DYK-4592964/55      | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 222,921,26             | 6,300,000         | -                                | 6,813,945          | -          |
| DSP Black Rock Opportunities Fund RGP- 4592969/40            | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 98,027,83              | 2,700,000         | -                                | 2,863,834          | -          |
| Franklin India Corporate Bond Opportunities Fund             | Current              | Quoted           | Non Trade        | Under lien                   | SBI                    | 541,822,00             | 7,802,196        | -                                | 10,781,120        | 541,822,00             | 7,806,527         | -                                | 10,730,405         | -          |
| ICICI Prudential Growth Liquid Fund                          | Current              | Quoted           | Non Trade        | Free                         | None                   | 911,771.82             | 27,157,195       | -                                | 27,344,115        | -                      | -                 | -                                | -                  | -          |
| HGDCGR - HDFC Corporate Debt Opportunities Fund              | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 307,492,27             | 3,500,000         | -                                | 3,343,649          | -          |
| Reliance Advantage Fund - Monthly Dividend Plan-41676661/806 | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 1,179,35,371           | 12,555,225        | -                                | 12,584,530         | -          |
| HDFC Advantage Fund-Monthly Dividend Plan-801380/05          | Current              | Quoted           | Non Trade        | Free                         | None                   | -                      | -                | -                                | -                 | 2,934,57,447           | 38,022,866        | -                                | 38,565,531         | -          |
| 7.35%/20% PTC Bonds (Tax Free)                               | Noncurrent           | Quoted           | Non-trade        | Free                         | None                   | 39                     | 39,000           | -                                | 51,705            | 39                     | 39,000            | -                                | 50,601             | -          |
| DIHF1, Parametric FDI-SAA-DP-G-2012347835                    | Noncurrent           | Unquoted         | Non-trade        | Free                         | None                   | -                      | -                | -                                | -                 | 850                    | 850,000           | -                                | 1,066,503          | -          |
| ICICI Prudential Liquid DGP-15511225/38                      | Noncurrent           | Quoted           | Non-trade        | Free                         | None                   | 3,357                  | 1,000,000        | -                                | 1,023,069         | -                      | -                 | -                                | -                  | -          |
| <b>Total</b>   |                      |                  |                  |                              |                        | <b>643,365</b>         | <b>55,52,650</b> | <b>-</b>                         | <b>59,070,700</b> | <b>6,029,733</b>       | <b>88,704,567</b> | <b>-</b>                         | <b>101,884,105</b> | <b>-</b>   |

**NOTE 11: LONG TERM LOAN AND ADVANCES**

Deposits with:

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Government authorities | 16,127,857        | 16,267,222        |
| Other deposits         | 3,005,963         | 2,527,414         |
| Capital advances       | 700,063           | 1,794,065         |
| Other advances         | -                 | 103,000           |
|                        | <u>19,833,883</u> | <u>20,691,701</u> |

**NOTE 12 : CURRENT INVESTMENTS****Non-Trade, Quoted:**

|   |                   |                   |
|---|-------------------|-------------------|
| Investment in units of mutual funds     | 54,413,311        | 87,710,896        |
| Investment in bonds                     | -                 | -                 |
| (Refer detailed annexure of Investment) |                   |                   |
|   | <u>54,413,311</u> | <u>87,710,896</u> |

**NOTE 13 : INVENTORIES**

|                  |                    |                   |
|------------------|--------------------|-------------------|
| Raw materials    | 79,266,552         | 40,337,057        |
| Work-in-progress | 70,268,773         | 52,042,673        |
| Scrap            | 32,000             | 35,000            |
| Goods in transit | -                  | -                 |
|                  | <u>149,567,325</u> | <u>92,414,730</u> |

**NOTE 14 : TRADE RECEIVABLES****Debts outstanding for a period exceeding six months-**

|                     |                  |                  |
|---------------------|------------------|------------------|
| Considered good     | 9,855,748        | 6,165,322        |
| Considered doubtful | -                | -                |
|                     | <u>9,855,748</u> | <u>6,165,322</u> |

**Others:**

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Considered good                    | 273,610,544        | 147,605,297        |
|                                    | <u>283,466,292</u> | <u>153,770,619</u> |
| Less: Provision for doubtful debts | -                  | -                  |
|                                    | <u>283,466,292</u> | <u>153,770,619</u> |

**NOTE 15 : CASH AND BANK BALANCES**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Cash on hand         | 573,717           | 1,515,680         |
| Balance with banks   | 27,266,539        | 49,164,314        |
| Other bank balances* | 49,069,839        | 13,069,798        |
|                      | <u>76,910,095</u> | <u>63,749,791</u> |

\*Note: Includes deposits of ₹ 54.62 lakhs (Previous Year: ₹ 47.78 lakhs) kept as margin money against bank guarantees

**NOTE 16 : SHORT TERM LOANS AND ADVANCES**

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Advance against expenses       | 7,608,485         | 5,005,892         |
| Prepaid expenses               | 3,541,524         | 436,071           |
| Loans to employees and workers | 3,888,209         | 3,189,801         |
| Taxes and duties recoverable   | 25,478,619        | 44,667,488        |
| Advance to suppliers           | 2,557,931         | 1,722,938         |
| Loan to subsidiary company     | -                 | -                 |
| Other short term advances      | 29,962            | 29,962            |
| MAT Credit Balances            | 3,886,596         | 3,812,343         |
|                                | <u>46,991,326</u> | <u>58,864,495</u> |

**NOTE 17 : OTHER CURRENT ASSETS**

|   |                  |                  |
|---|------------------|------------------|
| DEPB claim                                | 1,222,512        | 928,594          |
| Interest accrued on deposits and others   | 36,187           | 74,673           |
| Refund due from (State Electricity Board) | 1,204,839        | 1,204,839        |
|   | <u>2,463,538</u> | <u>2,208,106</u> |

**NOTE 18 : REVENUE FROM OPERATIONS****Sale of products and other Receipts**

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| Finished components (Net of returns) | 1,309,487,042        | 1,132,012,170        |
| <b>Other operating revenues</b>      |                      |                      |
| Job work income                      | 12,168,335           | 1,300,348            |
| Scrap sales                          | 107,221,033          | 70,284,046           |
| Export Incentive                     | 6,530,224            | 9,569,029            |
|                                      | <u>1,435,406,633</u> | <u>1,213,165,593</u> |

**NOTE 19 : OTHER INCOME****Interest income**

|  |                   |                   |
|--|-------------------|-------------------|
| -on bank deposits                        | 1,445,289         | 488,534           |
| -on others                               | 974,305           | 1,688,057         |
| Gain on foreign exchange                 | 3,441,153         | 5,171,952         |
| Dividend income                          | 25,863            | 2,570,150         |
| Net gain on sale of investment           | 10,038,102        | 4,763,784         |
| Profit on disposal of fixed assets (net) | 29,363,607        | 2,723,560         |
| Capital gain on disposal of land         | -                 | -                 |
| Rent income                              | 494,000           | 600,000           |
| Miscellaneous income                     | 1,949,179         | 16,534,231        |
|  | <u>47,731,498</u> | <u>34,540,268</u> |

**NOTE 20 : COST OF MATERIAL CONSUMED****Opening inventories:**

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Raw materials (opening)               | 40,337,057         | 46,902,364         |
| <b>Add: Purchase of raw material:</b> |                    |                    |
| Cost of steel purchased               | 811,551,429        | 513,202,089        |
| Cost of components purchased          | 18,442,404         | 75,219,465         |
| <b>Less: Closing inventories:</b>     |                    |                    |
| Raw material (closing)                | 79,266,552         | 40,337,057         |
|                                       | <u>791,064,339</u> | <u>594,986,860</u> |

**NOTE 21 : CHANGE IN INVENTORY OF WORK IN PROGRESS****Closing inventories:**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Work in progress-     | 70,268,773        | 52,042,673        |
| Scrap (closing Stock) | 32,000            | 35,000            |
|                       | <u>70,300,773</u> | <u>52,077,673</u> |

**Opening inventories:**

|                       |                    |                   |
|-----------------------|--------------------|-------------------|
| Work in progress:-    | 52,042,673         | 75,703,561        |
| Scrap (opening stock) | 35,000             | 52,000            |
|                       | <u>52,077,673</u>  | <u>75,755,561</u> |
|                       | <u>-18,223,100</u> | <u>23,677,888</u> |

**NOTE 22 : EMPLOYEES BENEFITS EXPENSES**

|   |                    |                    |
|---|--------------------|--------------------|
| Salaries, wages, bonus and benefits, etc.       | 115,402,028        | 103,927,500        |
| Contribution to provident and other funds, etc. | 4,684,230          | 5,918,536          |
| Staff welfare expenses                          | 4,836,710          | 7,107,830          |
|   | <u>124,922,967</u> | <u>116,953,867</u> |

**NOTE 23 : FINANCIAL COSTS**

|                   |                |                |
|-------------------|----------------|----------------|
| Interest expenses | 157,074        | 386,705        |
|                   | <u>157,074</u> | <u>386,705</u> |

**NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSES**

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Depreciation on fixed assets | 31,245,246        | 30,180,482        |
|                              | <u>31,245,246</u> | <u>30,180,482</u> |

**NOTE 25 : OTHER EXPENSES**

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Consumption of stores and spares | 75,188,281         | 66,787,939         |
| Power, gas and fuel              | 112,099,668        | 101,190,025        |
| Rent                             | 2,836,459          | 1,416,243          |
| Repairs to building              | 4,718,473          | 6,882,389          |
| Repairs to plant & machinery     | 29,382,886         | 29,112,220         |
| Insurance                        | 989,611            | 867,918            |
| Rates & taxes                    | 1,281,877          | 1,204,719          |
| Machining charges                | 150,143,384        | 138,757,034        |
| Travelling and conveyance        | 4,961,921          | 18,711,626         |
| Legal and professional           | 40,898,520         | 48,802,764         |
| Freight and transportation       | 13,590,804         | 15,907,414         |
| CSR & other donation             | 1,903,246          | 1,165,401          |
| Miscellaneous expenses           | 33,284,678         | 33,832,011         |
|                                  | <u>471,279,807</u> | <u>464,637,704</u> |

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### 26. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2021

- The COVID-19 lockdown has had a worldwide impact, the ramification of which will play out over the next few months and years. The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties. The Company will periodically assess the situation and its impact on its business during the current financial year and undertake necessary action to mitigate any negative impacts to business. The Company does not expect any material fall in its net worth owing to the pandemic and hence there will be no impact on the going concern. The situation post balance sheet date was analyzed, and it has been ensured that there were no significant adjusting events that would have any material impact in the Company's financial statements for the year ended 31st March 2021.
- Balances of debtors, creditors, and loans & advances are subject to confirmation. Payments made to creditors and for other liabilities, payment received from debtors etc. are as certified by the management.
- In the opinion of the Board of Directors and to the best of their knowledge and belief, the realizable value of current assets including loans and advances, in ordinary course of business are not less than the value stated in the balance sheet as at March 31, 2021.
- Value of import of services: ₹ Nil. (Previous year: Nil).
- Value of imported / indigenous raw materials / components / stores & spares consumed:  
Raw materials and components: ₹ 7,911 lakhs (100% indigenous); Previous year: ₹ 5,950 lakhs (100% indigenous)  
Stores, spares, tools etc.: ₹ 752 lakhs (100% indigenous); Previous year: ₹ 668 lakhs (100% indigenous)
- The Company is engaged in single business segment of manufacturing of steel forgings and assemblies. However, the Company has identified geographical segment based on the geographical market (₹ in lakhs) as below:

| Particulars   | Current year | Previous year |
|---|--------------|---------------|
| <b>i) Sales Revenue by Geographical Market</b>  |              |               |
| Domestic  | 12,531       | 10,634        |
| Export  | 1,823        | 1,498         |
| <b>ii) Segment Result</b>   |              |               |
| Un-allocable  | 613          | 85            |
| <b>iii) Carrying Amount of Segment Assets</b>   |              |               |
| Un-allocable  | 74,25        | 5,244         |
| <b>iv) Capital Expenditure during the year</b>  |              |               |
| Un-allocable  | 426          | 225           |
| <b>v) Total amount of segment liabilities</b>   |              |               |
| Un-allocable  | 2,595        | 1,463         |
| <b>vi) Total amount of depreciation and amortization in respect of segment assets</b> |              |               |
| Un-allocable  | 0            | 0             |
| Un-allocable  | 312          | 302           |
| <b>vii) Total amount of significant non-cash expenses</b>                             |              |               |

- Details of opening & closing stock, purchases & sales (₹ in lakhs):

| Class of goods | 2020-2021 |                              |                              |                                |                                | 2019-2020 |                              |                              |                                |                                |
|----------------|-----------|------------------------------|------------------------------|--------------------------------|--------------------------------|-----------|------------------------------|------------------------------|--------------------------------|--------------------------------|
|                | Sales     | Closing Stock Finished Goods | Opening Stock Finished Goods | Closing Stock Work-in-Progress | Opening Stock Work-in-Progress | Sales     | Closing Stock Finished Goods | Opening Stock Finished Goods | Closing Stock Work-in-Progress | Opening Stock Work-in-Progress |
|                |           |                              |                              |                                |                                |           |                              |                              |                                |                                |



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|                              |        |     |     |     |     |        |     |     |     |     |
|------------------------------|--------|-----|-----|-----|-----|--------|-----|-----|-----|-----|
| Steel forging and assemblies | 13,095 | Nil | Nil | 703 | 520 | 11,320 | Nil | Nil | 520 | 757 |
| Job Work                     | 122    | Nil | Nil | Nil | Nil | 13     | Nil | Nil | Nil | Nil |
| Scrap                        | 1,072  | Nil | Nil | 1   | 1   | 703    | Nil | Nil | 1   | 1   |
| Others                       | 65     | Nil | Nil | Nil | Nil | 96     | Nil | Nil | Nil | Nil |
| Total                        | 14,354 | Nil | Nil | 703 | 521 | 12,132 | Nil | Nil | 521 | 758 |

8. Consequent to the Guidance on implementing Accounting Standard-15 “Employee Benefits” which clarifies the applicability of the Accounting Standard, gratuity liability and leave encashment liability has been determined by an Actuarial Valuer as at the date of the Balance Sheet. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company @ 15 days’ salary (last drawn salary) for each completed year of service. The Company, as a prudent practice, has provided liability for leave encashment basis on the actuarial valuation for unutilized leave balance as at Balance Sheet date.

The following table summarizes the components of net benefit/expense recognized in the profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan:

### STATEMENT OF PROFIT AND LOSS:

| Particulars  | Leave Liability         |                         | Gratuity                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| <b>Net employee benefit expenses (recognized in employee cost)</b> |                         |                         |                         |                         |
| Current service cost   | 31                      | 33                      | 21                      | 23                      |
| Past Service Cost  | -                       | -                       | -                       | -                       |
| Interest cost on benefit obligation                                | 9                       | 9                       | 14                      | 17                      |
| Expected return on plan assets                                     | -                       | -                       | -                       | -                       |
| Net actuarial (gain)/loss recognized in the year                   | (14)                    | (25)                    | (32)                    | (5)                     |
| Net benefit expenses   | -                       | -                       | -                       | -                       |
| <b>Total: Employee Benefits Expense</b>                            | <b>20</b>               | <b>17</b>               | <b>3</b>                | <b>35</b>               |

### CHANGES IN PRESENT VALUE OF OBLIGATION

| Particulars   | Leave Liability         |                         | Gratuity                |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| Present value of obligation as at the beginning of the year | 135                     | 127                     | 249                     | 230                     |
| Interest cost   | 9                       | 9                       | 14                      | 17                      |
| Current service cost  | 31                      | 33                      | 21                      | 23                      |

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|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Past Service cost   | -          | -          | -          | -          |
| Benefit paid  | (17)       | (9)        | (87)       | (16)       |
| Actuarial (gain)/loss on obligations                          | (14)       | (25)       | (32)       | (5)        |
| <b>Present value of obligations as at the end of the year</b> | <b>144</b> | <b>135</b> | <b>165</b> | <b>249</b> |

### AMOUNT TO BE RECOGNIZED IN BALANCE SHEET:

| Particulars  | Leave Liability         |                         | Gratuity                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs | 2020-2021<br>₹ in lakhs | 2019-2020<br>₹ in lakhs |
| Present value of obligations at the end of I.V.P.            | 144                     | 135                     | 166                     | 250                     |
| Fair value of Plan Assets                                    | -                       | -                       | -                       | -                       |
| Funded Status  | (144)                   | (135)                   | (166)                   | (250)                   |
| Unrecognized Past Service Cost                               | -                       | -                       | -                       | -                       |
| Amount not recognized as an asset                            | -                       | -                       | -                       | -                       |
| <b>Net Asset/(Liability) recognized in the balance sheet</b> | <b>144</b>              | <b>135</b>              | <b>166</b>              | <b>250</b>              |

### PRINCIPAL ACTUARIAL ASSUMPTIONS:

| Particulars                   | Leave Liability |           | Gratuity  |           |
|-------------------------------|-----------------|-----------|-----------|-----------|
|                               | 2020-2021       | 2019-2020 | 2020-2021 | 2019-2020 |
| Discount Rate (p.a.)          | 6.76%           | 6.75%     | 6.76%     | 6.75%     |
| Salary Escalation Rate (p.a.) | 12.50%          | 12.50%    | 12.50%    | 12.50%    |

9. Deferred tax liabilities ₹ 73,69,488 (net) as on March 31, 2021, has mainly arisen on account of timing difference on depreciation, provision for gratuity and leave encashment.

#### 10. Dues to Micro, Small and Medium Enterprises:

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

| Particulars  | Amount (₹ in lakhs) |
|--|---------------------|
| <b>Amount due and payable at the year end</b>                  |                     |
| -Principle   | 307                 |
| -Interest*   | 0                   |
| Interest due and payable for principals already paid*          | 0                   |
| <b>Total Interest accrued and remained unpaid at year end*</b> | <b>0</b>            |

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act, 2006 by requesting confirmation from vendors to the emails circularized by the Company.

\*The Company has not received demand for such interest from any of the micro and small enterprise.

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11. Contingent Liabilities: Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. Contingents not provided for are as below:

- 1) Outstanding Bank Guarantees ₹ 55.27 lakhs (Previous Year: ₹ 54.62 lakhs).
- 2) Disputed demands:
  - a) A demand contested by the Company in respect of Sales Tax/Central Sales Tax ₹ 98.58 lakhs (Previous Year: 98.58 lakhs).
  - b) Claim by Local Municipal Body at Faridabad for ₹154.22 lakhs towards External Development Charges (EDC) and Interest which has been contested by the Company in the court of law (Previous Year: 154.22 lakhs).
  - c) Claim by Mr. Ajay Joshi, an ex-employee of the Company for ₹41.50 lakhs towards allegations of wrongful termination (Previous Year: 41.50 lakhs).
  - d) A demand contested by Company in respect of GST/Goods & Service Tax ₹ 135.87 lakhs (Previous Year: ₹135.87 lakhs).

12. Earnings per Share: Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The basis adopted for calculation of the basic and diluted earnings per equity share is as stated below:

| Particulars  | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| Profit/(loss) after taxation (₹ in lakhs)*                           | 615       | 85        |
| Weighted average number of equity shares outstanding during the year | 29,78,803 | 29,78,803 |
| Basic & diluted earnings per share (in ₹)                            | 20.65     | 2.86      |
| Nominal Value per share (in ₹)                                       | 10        | 10        |

\* The profit for the current year includes profit of Rs.294 lakhs (previous year Rs.27 lakhs) on sale of some old plant and machineries.

13. Foreign Exchange Earning/Outgo: (₹ in lakhs)

| Particulars                     | 2020-2021 | 2019-2020 |
|---------------------------------|-----------|-----------|
| <b>Earning</b>                  |           |           |
| FOB value of exports            | 1,823     | 1,498     |
| <b>Outgo</b>                    |           |           |
| Expenses                        | 3         | 84        |
| Import of professional services | 7         | Nil       |
| Import of consumable goods      | Nil       | Nil       |

14. Related party disclosure as per AS-18:

|   |  |
|---|--|
| Holding Company   | NA   |
| Subsidiaries  | NA   |
| Fellow Subsidiaries   | NA   |
| Associates  | NA   |
| Key Management Personal (KMP) & relatives of KMP                          | KMP: Mr. Dipak Raj Sood,<br>Relatives of KMP: NA   |
| Enterprises over which KMP or relatives of KMP have significant influence | Sudtrac Linkages Pvt. Ltd.<br>Precision Machtech Pvt. Ltd.<br>Track Systems India Pvt. Ltd.<br>Venture Highway LLP |

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### RELATED PARTY TRANSACTION:

| Nature of Transaction     | Subsidiaries<br>(₹ in lakhs) | Key Management and relative of<br>Key Management Personnel (₹ in<br>lakhs) | Enterprises over which Key<br>Management Personnel or relatives have<br>significant influence (₹ in lakhs) | Total (₹ in<br>lakhs) |
|---------------------------|------------------------------|--|--|-----------------------|
| Purchase of goods         | Nil<br>(Nil)                 | Nil<br>(Nil)   | 1<br>(11)  | 1<br>(11)             |
| Sale of goods             | Nil<br>(Nil)                 | Nil<br>(Nil)   | 463<br>(535)   | 463<br>(535)          |
| Purchase of services      | Nil<br>(Nil)                 | Nil<br>(Nil)   | 325<br>(354)   | 325<br>(354)          |
| Rent Paid                 | Nil<br>(Nil)                 | Nil<br>(Nil)   | 4<br>(4)   | 4<br>(4)              |
| Rent Received             | Nil<br>(Nil)                 | Nil<br>(Nil)   | 6<br>(7)   | 6<br>(7)              |
| Purchase of fixed assets  | Nil<br>(Nil)                 | Nil<br>(Nil)   | Nil<br>(6)   | Nil<br>(6)            |
| Job work charges received | Nil<br>(Nil)                 | Nil<br>(Nil)   | 37<br>(14)   | 37<br>(14)            |
| Job work charges<br>paid  | Nil<br>(Nil)                 | Nil<br>(Nil)   | 33<br>(76)   | 33<br>(76)            |
| Director's remuneration   | Nil<br>(Nil)                 | 393<br>(393)   | Nil<br>(Nil)   | 375<br>(393)          |
| Sale of Fixed Assets      | Nil<br>(Nil)                 | Nil<br>(Nil)   | Nil<br>(17)  | Nil<br>(17)           |

### 15. Details of remuneration paid to auditors: (in lakhs)

| Particulars                | 2020-2021 | 2019-2020 |
|----------------------------|-----------|-----------|
| For Audit Fees             | 5.00      | 5.00      |
| For Taxation Matters       | 3.00      | 3.45      |
| For Company Law Matter     | 0.06      | 0.04      |
| For Expenses Reimbursement | 0.00      | 0.00      |

16. As outlined in the previous year's annual financial report, in view of COVID and lockdown related difficulties the Company reduced the extent of its credit facility with HDFC bank in the previous financial year to a non-fund-based limit of Rs.50 lacs for utilisation as Bank Guarantees. This was against fixed deposits lien to the bank as collateral. The same limit was continued to be put to use by the Company throughout the FY 2020-21 and no further enhancements or decrease was sought to the limit by the Company.

In the past, the Company utilised credit facilities from erstwhile State Bank of Mysore (Now State Bank of India) for issuance of Bank Guarantees to its Chennai based ordnance board customers. Over the years, these Bank Guarantees have expired, and the Company is in process of getting these Bank Guarantees retired from the customers and returning the same to the Bank. The Company expects this facility to be closed and collateral to be released in FY 2021-22.

### 17. CSR Expenditure:

- Gross Amount required to be spent- Rs. 23.00 lakhs (Previous year: 20.02 lakhs)
- Amount spent during the year on:
  - Construction/ Acquisition of any assets: Nil
  - Purpose other than above: Rs. 18.53 lakhs

## INDIA FORGE & DROP STAMPINGS LTD.

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18. Rs. 47,09,755 paid to Maharashtra Sales Tax authorities in Pune Unit against disputed demands of sales tax have been shown as Deposit with Government Authorities, under Long-term Loans & Advances. The Company has challenged the demands so raised and final adjustment will be made once the cases are decided.
19. Previous year figure has been regrouped/rearrange wherever considered necessary to correspond with the current year's classification/disclosure.

For Chachan & Lath LLP  
Chartered Accountants  
(Firm Registration No.- 015012N)

**For India Forge & Drop Stampings Ltd.**

**CA. Dharmendra Kumar Chachan**  
Designated Partner  
(Membership Number: 094930)  
Place: Delhi  
Date: November 07, 2021  
UDIN: 21094930AAAABE7813

**Dipak Raj Sood**  
Vice-chairman (Whole-time Director)  
(DIN: 01516073)  
Address: G-10, Maharani Bagh,  
New Delhi-110065

**Samir Sood**  
Director  
(DIN: 02627166)  
Address: G-10, Maharani Bagh,  
New Delhi -110065

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## CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

### 1. Principles of consolidation

The Consolidated Balance sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement includes financial statement of India Forge & Drop Stampings Ltd. i.e. The parent company and its subsidiary India Forge Auto Products Pvt. Ltd. (collectively referred to the 'Consolidated Financial Statement') The Consolidated Financial Statement has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Companies (Accounts) Rules, 2014 as amended.

The consolidated financial statements have been combined on a line by line basis by adding the book value of the like items of the assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits in full (if any). The amounts shown in respect of reserves comprise the amount of the relevant reserves as per balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The excess/deficit of cost to the Parent Company of its investment over its portion of equity in the subsidiaries at the respective date on which the investment in such entity was made is recognized in the financial statements as goodwill/capital reserve on consolidation. The Parent Company's portion of equity in such entities is determined on the basis of book value of assets and liabilities as per financial statements of the entity as on the date of investment. The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

### 2. Basis for preparation of Accounts:

The consolidated financial statements of the Company have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Companies (Accounts) Rules, 2014 as amended. The consolidated financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

### 3. Use of Estimates:

The preparation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of consolidated financial statements and the reported amounts of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### 4. Revenue Recognition:

Sale of Goods: Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns, sales tax, value added tax, GST etc.

Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

Dividend income is accounted for on receipt basis.

Revenue in respect of other income is recognized when there is reasonable certainty of its ultimate realization/collection.

### 5. Impairment of Assets:

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

### 6. Property, Plant and Equipment:

Items of property, plant and equipment are stated at the cost less depreciation and impairment losses, if any.

# INDIA FORGE & DROP STAMPINGS LTD.

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The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non –refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure related to an item of property, plant and equipment is capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the company.

All other expenditure related to existing asset including day-to-day repair and maintenance expenditure and cost of small parts, are charged to profit and loss in the period during such expenditure is incurred.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions to fixed assets during the year has been provided on pro-rata basis from the date of such additions.

Depreciation on assets sold, discarded or demolished has been provided on pro-rata basis.

An item of property, plant and equipment is derecognise upon disposal or when no future income benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit and loss.

## **7. Government Subsidies:**

Subsidies if any, received from state / central government are treated as capital grants and credited to capital reserve.

## **8. Inventory Valuation:**

Inventories are valued at lower of cost and net realizable value.

For valuation of stock of raw material and bought-out components and forgings, cost is taken as per the first in first out method. Cost includes taxes, and duties (other than duties and taxes for which CENVAT/VAT credit is available), freight and other direct expenses.

For valuation of work-in-progress, cost includes material, direct labour, overheads (other than selling and administrative) etc.

For valuation of finished goods, cost includes material, direct labour, overheads (other than selling and administrative), excise duty and cess, wherever applicable.

## **9. Retirement/Post Retirement Benefits:**

Short-term employee benefits, in respect of reimbursement of medical allowance/expenses, the liability has been fully provided on undiscounted basis, in accordance with the schemes in force.

The contribution to Provident Fund (defined contribution plan), as per the provision of the Employees' Provident Funds and Miscellaneous Provision Act, 1952, is recognized as expense, charged to Statement of Profit & Loss and remitted to the Provident Fund Commissioner. The Company has no other obligations than the monthly contributions.

The Company's liability towards retirement benefits, in the form of gratuity (defined benefit plan) and leave encashment benefits payable as per Company's scheme are charged to Consolidated Statement of Profit & Loss on the basis of actuarial valuation made at the end of each financial year by an independent actuary.

Actuarial gain/loss is recognized in the Consolidated Statement of Profit & Loss in the year in which they arise.

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## **10. Taxes on Income:**

Current tax is provided as per the provisions of the Income Tax Act, 1961.

Deferred tax arising on account of timing difference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognized at the income tax rates enacted or substantially enacted as on the Balance Sheet date.

## **11. Foreign Exchange transaction:**

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the Consolidated Balance Sheet date. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

## **12. Investment:**

Current Investment are valued at current value or cost whichever is less. Long term Investment is stated at cost less provision for permanent diminution in value, if any.

## **13. Provisions and Contingent Liability:**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligations. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

## **14. Earnings Per Share:**

Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

## **15. Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash on hand, balances with banks, fixed deposits with banks and margin money with banks against the performance guarantees.

## **16. Consolidated Cash Flow Statement:**

Consolidated Cash flow are reported using the indirect method, whereby profit / (loss) before extra-ordinary item and tax is adjusted for the effects of transaction of non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

## **17. Borrowing Cost:**

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing cost are recognized in profit or loss for the period in which they are incurred.