



**Tirupati**  
Forge Limited

**Works & Regd. Office :**  
Survey No. 92/1, Nr. Shan Cement,  
Hadamtala Industrial Area, N.H. - 27,  
Vill.: Hadamtala, Tal.: Kotdasangani,  
Dist. Rajkot - 360 311. (Gujarat)

Tele. : +91 - 2827-270512  
E-mail : [info@tirupatiforge.com](mailto:info@tirupatiforge.com)  
Web : [www.tirupatiforge.com](http://www.tirupatiforge.com)  
CIN No. L27320GJ2012PLC071594



**September 05, 2022**

To,

**Listing Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G - Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

**Dear Sir/Madam,**

**Symbol : TIRUPATIFL**  
**Series : EQ**

**Sub: Annual Report for the Financial Year 2021-22 and Notice convening the 10<sup>th</sup> Annual General Meeting of the Company.**

**Ref: Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report along with the Notice convening the 10<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Friday, 30<sup>th</sup> September, 2022 at 12:30 p.m. at registered office of the Company.

Please find enclosed copy of the Notice of the 10<sup>th</sup> Annual General Meeting along with Annual Report for the Financial Year 2021-22, which is also being uploaded on the website of the Company at [www.tirupatiforge.com](http://www.tirupatiforge.com)

To support Green Initiative and as permitted by MCA and SEBI Circulars, the copy of Notice of AGM and Annual Report 2021-22 are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

Kindly take the same on your record and oblige.

Thanking You,

Yours Faithfully,

**For, TIRUPATI FORGE LIMITED**

VIVEK  
MANISHBHAI  
MOLIYA

Digitally signed by VIVEK  
MANISHBHAI MOLIYA  
Date: 2022.09.05 19:04:51 +05'30'

**Vivek M. Moliya**  
**Company Secretary & Compliance Officer**

**Encl:** As above

CC to:

**National Securities Depository Limited**

Trade World, 4<sup>th</sup> Floor, "A" Wing, Trade World,  
Kamala Mills Compound, Senapati Bapat  
Marg, Lower Parel, MUMBAI - 400 013.

**Central Depository Services (India) Limited**

17<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal  
Street, Fort, Mumbai - 400 001.



# ANNUAL REPORT

to Shareholders



**Tirupati**  
FORGE LIMITED

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# ABOUT US

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

Having installed capacity of 18000 TONS per annum. Our stringent quality control measure and full proof system got us accredited with ISO-9001:2015 certification, certificate of IATF-16949/2016 PED - AD 2000 and CRN (Canadian Registration Number) with **Tirupati** brand name. Our forged flanges and forged components largely shipped to U.S.A., European and African Countries, Canada, Malasiya.

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

A Strong motivated team of engineers, responsive marketing, and solid support from our manufacturing shop resulting CUSTOMER-DELIGHT catapulting TIRUPATI to a position of LEADERSHIP TODAY. Our installation stands testimony of our standing industry.

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

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



# FLANGES



## Steel Flange

Types : ASTM, DIN, Plate Flange, Long Weld Neck.

Size Range : 0.5" to 24"

Pressure : 150 - 2500 LBS

Types : Slip-On, Weld-Neck, Blind, Lap-Joint,  
Threaded & Socket Weld

Material : Carbon Steel & Stainless Steel.



## Ensure Upgradability in All Our Products

- Closer Tolerance
- Reasonable Pricing
- Timely Delivery
- Best Packing



SLIP - ON



WELD - NECK



BLIND



SOCKET



THREADED



LAP - JOINT



DIN



PLATE



Tirupati specialized in producing fully assembled Hammer Unions as well as individual components (Male, Female and Nut) for all pressure ratings (Flange 100 - 1502 and size rating from 1" through 6" with NPT Threads confirms to ANSI B1.20.1



**Type:** Elbow, Tee, Cross, Coupling, Half Coupling, Cap, Plug, Bushing, Union, HEX, Nipple, Swag Nipple.

**Rating Pressure:** Threaded End - 2000 / 3000 / 6000 LBS  
Socket Weld Eng - 3000 / 6000 / 9000 LBS

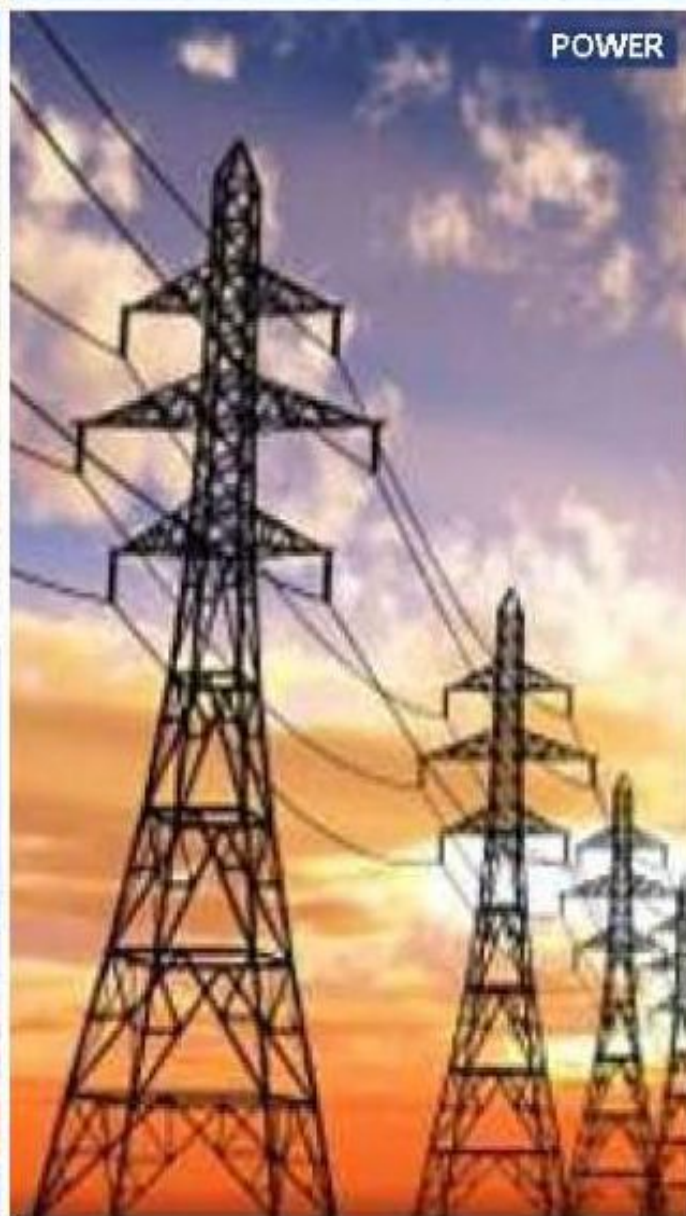
**Size:** NPS 1/8" - 4"



## PRODUCTS

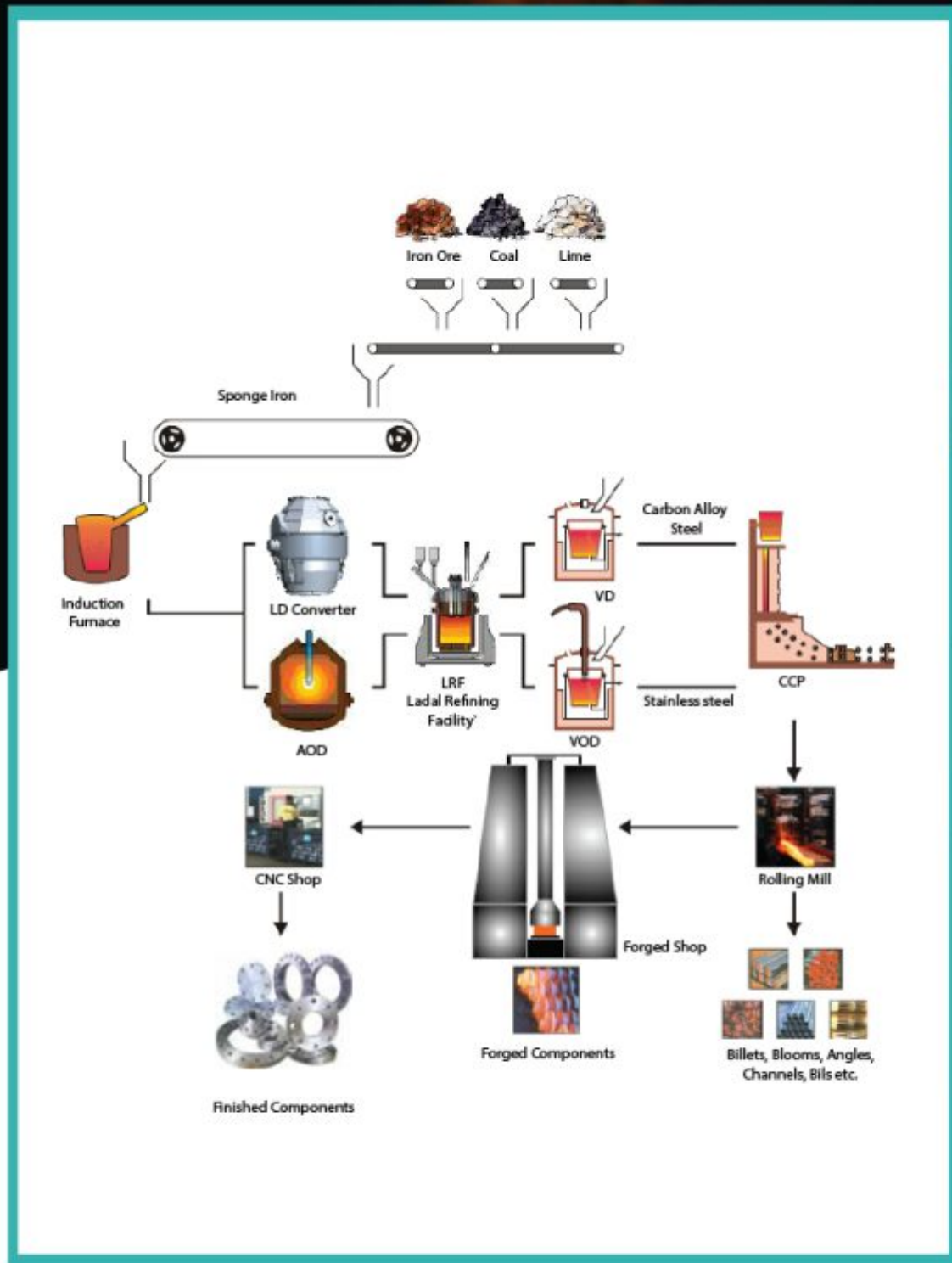


# APPLICATIONS



# PRODUCTS





## PROCESS



Website : [www.tirupatiforge.com](http://www.tirupatiforge.com)



# MANUFACTURING CAPACITY



## FORGINGS

- ✓ Capacity: 7000 Tons PA 0.5 kg to 45 kg Single Piece
- ✓ Circular shape forging to Near Net Forgings, Flanges, Bearing, Gears, Crown Wheels & Rings etc.



## RING ROLLING MACHINES

- ✓ Capacity : 5,000 MT PA
- ✓ Size : 150 mm to 500 mm OD
- ✓ Grade : MS, Carbon Steel, Alloy Steel, etc...
- ✓ Automatic production line from Induction to Presses



## CNC SHOP

- ✓ Capacity 500 mm OD
- ✓ Achieving OPERATIONAL EXCELLENCE through technical upgradation.
- ✓ Best range of fully automatic Numerically Controlled Machines to meet customers' TECHNICAL requirement consistently.



## MULTI SPINDLE DRILLING MACHINES

- ✓ Capacity: 500mm OD
- ✓ Size: Mass Scale Precision Handling Machines
- ✓ Fully Automatic Drilling Machines





## PAINT SHOP

- ✓ 40 Tons Per Day ready to pack material
- ✓ Fully automatic dipping & drying paint line
- ✓ Super smooth coated mass process



## AUTOMATIC STAMPING MACHINES

- ✓ Capacity 500 mm OD
- ✓ 200-500 pcs/hour Fully automatic stamping
- ✓ Grooves harmoniously a niche of CLARITY



## PACKING & LOGISTICS

- ✓ Water proof WOOD packing
- ✓ Inner with PVC bags to avoid corrosion-humidity & dent during transportation
- ✓ Pampered like BABY HANDLING





SLIP - ON



THREADED



WELD - NECK



LAP - JOINT



BLIND



DIN



SOCKET



PLATE



# ACHIEVEMENTS



**"Small daily improvements over time  
lead to stunning results."**

# CORPORATE INFORMATION

# BOARD OF DIRECTORS

**Shri. Hiteshkumar G. Thummar**

**Chairman & Managing Director**

**Shri. Bhavesh T. Barasiya**

**Whole Time Director**

**Smt. Darshna H. Thummar**

**Non-Executive Director**

**Shri. Ramesh M. Patel**  
[Resigned w.e.f. 28.04.2022]

**Independent Director**

**Shri. Sachin P. Ravani**

**Independent Director**

**Shri. Anand M Shrivastava**

**Independent Director**

**Smt. Jagruti Nitinkumar Erda**  
[Appointed w.e.f. 26.07.2022]

**Additional Independent Director**

## CHIEF FINANCIAL OFFICER

**Mr. Atul L. Natu**

E-mail: [cfo@tirupatiforge.com](mailto:cfo@tirupatiforge.com)

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Vivek M. Moliya**

E-mail: [cs@tirupatiforge.com](mailto:cs@tirupatiforge.com)

# REGISTERED OFFICE

Plot No. 1-5, Survey No. 92/1, Near Shan Cement,  
Hadamta Industrial Area, Taluka: Kotda Sangani  
Hadamta, Rajkot 360311 (Gujarat) India.

Tel. No.: +91 2827 270512

E-mail: [info@tirupatiforge.com](mailto:info@tirupatiforge.com)

Website: [www.tirupatiforge.com](http://www.tirupatiforge.com)

# AUDIT COMMITTEE

Chairman: Smt. Jagruti Nitinkumar Erda (Appointed w.e.f. 26.07.2022)  
Member: Mrs. Darshna H. Thummar  
Member: Mr. Sachin P. Ravani  
Member: Mr. Ramesh M. Patel [Resigned w.e.f 28.04.2022]  
Member: Mr. Anand Mohan Shrivastava (Appointed w.e.f. 21.04.2022)

## NOMINATION & REMUNERATION COMMITTEE

Chairman: Mr. Sachin P. Ravani  
Member: Mrs. Darshna H. Thummar  
Member: Smt. Jagruti Nitinkumar Erda (Appointed w.e.f. 26.07.2022)  
Member: Mr. Ramesh M. Patel [Resigned w.e.f 28.04.2022]  
Member: Mr. Anand Mohan Shrivastava (Appointed w.e.f. 21.04.2022)

## STAKEHOLDER'S RELATIONSHIP COMMITTEE

Chairman: Mr. Sachin P. Ravani  
Member: Mrs. Darshna H. Thummar  
Member: Smt. Jagruti Nitinkumar Erda (Appointed w.e.f. 26.07.2022)  
Member: Mr. Ramesh M. Patel [Resigned w.e.f 28.04.2022]  
Member: Mr. Anand Mohan Shrivastava (Appointed w.e.f. 21.04.2022)

## COMPLAINTS COMMITTEE FOR SEXUAL HARASSMENT COMPLAINTS REDRESSAL

Chairman: Mrs. Darshna H. Thummar  
Member: Mr. Hiteshkumar G. Thummar  
Member: Mr. Bhavesh T. Barasiya

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chairman: Mr. Hiteshkumar G. Thummar  
Member: Mr. Sachin P. Ravani  
Member: Mr. Bhavesh T. Barasiya

# STATUTORY AUDITOR

Maharishi & Co.,  
Chartered Accountants  
Firm Registration No.: 124872W  
"Aparna", Behind Jivandeep Hospital,  
Limda Line, Jamnagar 361001 Gujarat. India.  
E-mail: [info@jainandmaharishi.com](mailto:info@jainandmaharishi.com)

# SECRETARIAL AUDITOR

Mr. Piyush Jethva,  
Practicing Company Secretary  
ICSI Membership No.: F6377  
COP No.: 5452

The Imperia, Office No. 806, Opp: Shashtri Maidan,  
Above: Federal Bank, Limda Chowk, Subhash Road,  
Rajkot - 360 001 Gujarat. India.

E-mail: [piyushjethva@gmail.com](mailto:piyushjethva@gmail.com)

M. B. Sardhara & Associates,  
Chartered Accountants

Firm Registration No.: 127974W

"Sardhara House", Bhaktinagar Soc., Marg-1,  
Near Vrundavan Dairy, KantaSri Vikas Gruh Road,  
Rajkot 360 002 (Gujarat) India.

E-mail: [mbsardhara@gmail.com](mailto:mbsardhara@gmail.com)

# INTERNAL AUDITOR

# STOCK EXCHANGE

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1,  
G Block Bandra-Kurla Complex, Bandra (E),  
Mumbai-400051, Maharashtra, India.

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

Link Intime India Private Limited  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli(West),  
Mumbai 400 083, Maharashtra, India.  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

# REGISTRAR & SHARE TRANSFER AGENTS

# BANKERS TO THE COMPANY

Indian Overseas Bank

Vaniyavadi Branch, Near, Bhaktinagar Circle,  
Rajkot - 360 002 (Gujarat) India.

E-mail: [iob0427@iob.in](mailto:iob0427@iob.in)

Website: [www.iob.in](http://www.iob.in)





# CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

**“WITH THE COMPLETION OF DECADE OF EXPERIENCE IN FORGING PRODUCTS, WELL ESTABLISHED QUALITY MARKET, WE EXPECT TO BE A SUPPLIER OF CHOICE TO ALL OUR GLOBAL AND INDIAN CUSTOMERS.”**

*Our Valued Shareholders,*

Let me thank you for being such an important and integral part of our journey over the past year. I hope you and your family are safe and in good health.

The year began under the cloud of the second wave of the Covid-19 pandemic, which compelled us to put the need and urgency of dynamic planning and implementation in our business into sharp focus. The pandemic and its impact in various parts of the world, the global supply chain disruption and the Russia-Ukraine war; all have triggered unprecedented volatility and uncertainties. The past two years were challenging, but as always Tirupati has stood the test of time and emerged stronger and more confident to face the future.

## AUTOMOBILE INDUSTRY

The year gone by has been a mixed one for the automotive industry. On the one hand, the demand was fairly strong, yet on the other, supply side challenges made it difficult to fulfill them. FY 2022 performance of the Indian Automotive industry looks healthy, given the low base of COVID-impacted FY 2021. However, the industry's production in FY 2022 is still down more than 25% when compared to peak volumes registered in FY 2019. Hopefully the coming years hold much better prospects for the industry as a whole.

While the Indian economy is still struggling to overcome the rippling effects of the COVID-19 pandemic, we have reported another year of steady revenue growth. In fact, we have recorded our highest ever revenue growth since its incorporation. We fuelled our growth agenda through disciplined cost management, and improving operational efficiency at all levels of the business. We as a unite always strive to provide best to the customers and working on the spread market base to

cover more countries in future. We have always done so from a position of strength and see it as adding new layers to offer more solutions to our customers and create value for our stakeholders.

At this point of time, I have privilege to share main highlights of the last financial year's performance (2021-2022): [In Lakh]

- ❖ During the financial year under review, the Company's revenue from operations increased by 188.33% to Rs. 8,930.32/- as compared to Rs. 3,097.27/- in the previous financial year.
- ❖ Tirupati Forge Limited recorded Net Profit of Rs. 622.31/- for the year, registering notable growth against profit Rs. 39.38 /- of previous F.Y. 2020-21.
- ❖ Earnings per Share (EPS) for the F.Y. 2021-22 is Rs. 0.64/- as compared to Rs. 0.04/- of F.Y. 2020-21.

I am confident that we will continue to meet the demands of our consumers, live up to their expectations by providing long-term value, and generate sustainable long-term growth. While we acknowledge the progress that has been made, we also understand that we still have a long way to go.

Tirupati Forge Limited has secured and expanded its core business over the years, and this continues to be part of our strategy going forward. While we do that, we have also diversified into several new markets. Some are adjacent markets and some are markets where we see good synergy with our core strengths. By doing this, we have built a nice, diversified portfolio focusing on several different global growth markets.

With our decade of experience in forging, our well established quality, and local representation, we expect to emerge as a supplier of choice to all our global and Indian customers.

As we continue on our path to business excellence, we are equally committed to introducing sustainability-driven initiatives to ensure that we create meaningful value for all of our stakeholders. Being a responsible organisation, we strive to have a long-term good impact on the environment and communities through concerted efforts.

I would like to take this opportunity to thank my colleagues on the Board for their continued guidance in charting the Company's blueprint. I thank our business partners, financial institutions, government agencies all other stakeholders who have journeyed with us this far. We value your association and solicit your co-operation going forward. I remain grateful to our shareholders, for trusting us and being a part of the Tirupati forge family. I look forward to your continued support while we remain committed to delivering quality.

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

# REPORT 2021-22

## **NOTICE OF ANNUAL GENERAL MEETING (AGM)**

**NOTICE** is hereby given that the **Tenth Annual General Meeting (AGM)** of the Members of **TIRUPATI FORGE LIMITED ("the Company")** is scheduled to be held on **Friday, September 30, 2022 at 12:30 p.m.** at registered office of the company situated at Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala, Rajkot 360311 (Gujarat) India, to transact the following businesses:

### **ORDINARY BUSINESS:**

- 1) To Receive, Consider and adopt the financial Statement including Audited Balance Sheet as on 31<sup>st</sup> March 2022 and Profit & Loss Account for the year ended on that date and reports of Board of Directors and Auditor thereon and Cash Flow Statement and other various schedule prescribed under the Companies Act, 2013.

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

**"RESOLVED THAT,** Audited Financial Statement financial year ended on March 31, 2022 including Balance Sheet of the Company as at March 31, 2022, Statement of Profit and Loss for the year ended on March 31, 2022 and Cash Flow Statement along with Audit Report for the year ended on March 31, 2022 and notes to the results annexed thereto be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT,** pursuant to provision of section 134 and other applicable provisions, if any of the companies Act 2013, read with relevant rules made there under including any statutory modification or re-enactment thereto, the report of Board of Directors of the company for the year ended on 31<sup>st</sup> March 2022, together with all annexure thereto be and is hereby considered and adopted.

- 2) To appoint a Director in place of **Shri. BHAVESHBHAI TULSIBHAI BARASIYA, Whole-time Director [DIN: 05332180]**, who retires by rotation and being eligible, offers himself for re-appointment.

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

**"RESOLVED THAT,** pursuant to provision of section 152 and other applicable provisions, if any of the companies Act 2013, read with relevant rules made there under including any statutory modification or re-enactment thereto, **Shri. BHAVESHBHAI TULSIBHAI BARASIYA, Whole-time Director [DIN: 05332180]**, who retires by rotation at this meeting, be and is hereby appointed as Whole-time director of the company, liable to retire by rotation.

- 3) To appoint M/s. Kamlesh Rathod & Associates, Chartered Accountants, [Firm Registration No.: 117930W] as Statutory Auditors of the Company and to fix their remuneration, for a first term of five consecutive years.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable rules, if any, and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. KAMLESH RATHOD & ASSOCIATES -a peer reviewed firm, having Firm Registration No.:

117930W, be and are hereby appointed as the Statutory Auditors of the Company, to hold the office for a period of five consecutive years commencing from the conclusion of 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 on such remuneration as may be mutually agreed by and between the Board of Directors of the Company and the Auditors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors and/or any person authorised by Board be and is severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all acts, deeds and things as may be necessary, expedient & desirable for the purpose of giving effect to the above."

#### **SPECIAL BUSINESS:**

#### **4. TO APPOINT SMT. JAGRUTI NITINKUMAR ERDA [DIN: 09680025] AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**"RESOLVED THAT**, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('The Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), Smt. Jagruti Nitinkumar Erda [DIN: 09680025], who was appointed as an Additional Director under the category of an Independent Director w.e.f. 26<sup>th</sup> July, 2022 by the Board of Directors pursuant to provision of Section 161(1) of the Act and the Article of Association of the Company, who has consented to act as a Director of the Company and submitted a declaration that she meets the criteria for independence as provided in the Act, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable for retirement by rotation, to hold office for a period of 5 (five) consecutive years w.e.f 26<sup>th</sup> July, 2022."

**"RESOLVED FURTHER THAT**, the Board of Directors of the Company [which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised "committee" thereof] be and is hereby authorized to do and perform all such acts, deeds, matters and things and take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution."

#### **5. TO RE-APPOINT SHRI. HITESHKUMAR G. THUMMAR [DIN: 02112952] AS CHAIRMAN & MANAGING DIRECTOR AND APPROVAL OF REMUNERATION UNDER SECTION 196 AND 197 READ WITH SCHEDULE V OF THE COMPANIES ACT, 2013:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule V of the Act (including any amendments thereto or re-enactment thereof for the time being in force), and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, and subject to any required regulatory approvals and applicable conditions thereof, approval of the Members be and is hereby accorded to the re-

appointment of Mr. Hiteshkumar Gordhanbhai Thummar (DIN: 02112952) as Managing Director and Chairman of the Company, for a period of five (5) years commencing from 31st July 2022 till 30th July, 2027 [both days inclusive], liable to retire by rotation, on the terms and conditions including remuneration not exceeding the limit of Rs. 3,00,000/- (Rupees Three Lakh Only) per month set out in the Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) be and is hereby authorised to revise the remuneration of Mr. Hiteshkumar Gordhanbhai Thummar (DIN: 02112952) from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under section 197 of the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or the profits are inadequate, Mr. Hiteshkumar Gordhanbhai Thummar (DIN: 02112952) will be paid minimum remuneration within the ceiling limit prescribed under Part II of Section II of Schedule V of the Act or any modification or re-enactment thereof subject to requisite compliance and disclosure.

**RESOLVED FURTHER THAT** the Board or any Committee constituted or to be constituted by the Board be and is hereby authorised to delegate the powers to any officer of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company, as it may deem fit."

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

**Sd/-  
Vivek M. Moliya  
Company Secretary and Compliance Officer**

**Date: August 30, 2022  
Place: Hadamtala (Rajkot)**

**Registered Office:**

Plot No. 1-9, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area,  
Taluka: Kotda Sangani Hadamtala, Rajkot 360 311 Gujarat. India.

Tel. No.: +91 2827 270512

E-mail: [info@tirupatiforge.com](mailto:info@tirupatiforge.com)

Website: [www.tirupatiforge.com](http://www.tirupatiforge.com)

## **Notes:**

1. The following is annexed with this Notice:
  - (i) A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
  - (ii) Instructions for e-voting.
2. Based on the consent received from CS Piyush Jethva, (FCS No. 6377, C.P. No. 5452), Practicing Company Secretary, the Board has appointed him as the Scrutinizer to scrutinize the process in a fair and transparent manner.
3. **M/s Maharishi & Co.**, Chartered Accountants (Firm Reg. No. 124872W), Chartered Accountants, the Statutory Auditors of the Company will hold office until the conclusion of the 10<sup>th</sup> Annual General Meeting of the Company. The Auditor have completed term as statutory auditor of the company. In this regard item no. 3 for appointment of **M/s Kamlesh Rathod & Associates** [Firm Reg. No. 117930W], Chartered Accountants, as statutory Auditors of the Company and fixation of remuneration, for a first term of five consecutive years placed for approval of shareholders as Ordinary Resolution. An explanatory statement pursuant to Regulation 36(5) of Listing Regulations in relation to this, is annexed hereto.
4. **A Member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**

A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.

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

5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said Resolution to attend and vote on their behalf at the Meeting.
6. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (except Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
7. In terms of the provisions of Section 152 of the Act, **Shri. BHAVESHBHAI TULSIBHAI BARASIYA** – Whole-time director, retire by rotation at the Meeting. Nomination and Remuneration Committee and Board of Directors of the Company commend his respective re-appointment.
8. Details of Directors retiring by rotation/seeking appointment/re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.

9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
11. Non-Resident Members: Non Resident Indian Members are requested to inform Registrar and Transfer Agents, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier.
12. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.
13. The notice of AGM along with Annual Report for 2021-22 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same.
14. This notice along with Annual Report for 2021-22 is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories as on Friday, 26<sup>th</sup> August 2022.
15. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorized representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.
16. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website at [www.firupatiforge.com](http://www.firupatiforge.com).
17. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the

bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them.

19. No gifts shall be provided to members before, during or after the AGM.
20. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
21. Members seeking any information with regard to the accounts are requested to write to the Company at an early date i.e. at least 10 days before the annual general meetings through mail at [cs@tirupatiforge.com](mailto:cs@tirupatiforge.com), so as to enable the Management to keep the information ready at the AGM.
22. A specimen of Attendance Slip, Proxy form and the route map showing direction to reach the venue of the 10<sup>th</sup> AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting so as to enable shareholders to attend meeting with complete documents.
23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Linkintime India Private Limited for facilitating voting through electronic means, as the authorized agency.

#### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

24. In view of the COVID-19 pandemic in last couple of years and still continuing, the Ministry of Corporate Affairs ('MCA') through its various circulars from time to time issued during April 2020 and May 2020, read with General Circular Nos. 20/2020 dated 5th May, 2020, and latest being circular no. 02/2022 dated 5th May, 2022, allowed companies whose AGMs were due in the year 2022, to conduct their AGMs on or before 31st December, 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5th May, 2020 ("MCA Circulars"). The Securities and Exchange Board of India ('SEBI') also vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 ("SEBI Circulars") have provided the relaxation up to 31st December, 2022, from compliance of Regulation 36(1)(b) and Regulation 44(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with the above circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling the AGM has been uploaded on the website of the Company at [www.tirupatiforge.com](http://www.tirupatiforge.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of Linkintime (agency for providing the Remote e-Voting facility) i.e. [www.instavote.com](http://www.instavote.com)

#### **1. Procedure for registration of e-mail address by the Members of the Company:-**

##### **i. For Temporary Registration:**

The Members of the Company holding Equity Shares of the Company in Demat Form or Physical Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the RTA/ LIPL, by clicking the

link:[https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and follow the registration process as guided therein. The members are requested to provide details such as Name, Address, DPID, ClientID/ Folio No., PAN. Post successful registration of the e-mail address, the member would get soft copy of the AGM Notice and Annual Report 2021-22 and the procedure for e-voting along with the user-id to enable e-voting. In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and/ or to the Company at [cs@tirupatiforge.com](mailto:cs@tirupatiforge.com)

## **ii. For Permanent Registration**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) and in respect of physical holdings, with the RTA of the Company by following the procedure prescribed by the Depository Participant or the RTA, respectively.

## **iii. Validation of e-mail ids**

Those members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their Depository Participants / the Company's RTA, to enable servicing of notices / documents / Annual Reports electronically to their e-mail address.

25. All the work related to share registry in terms of both physical and electronic are being conducted by Company's Registrar and Share Transfer Agent, LinkIntime India Private Limited. The Shareholders are requested to send their communication to the RTA.
26. The person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on closing of Friday, September 23, 2022 i.e. cut-off date only shall be entitled to vote at the meeting.
27. The Register of Members and Share Transfer Books shall remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive).

## **THE INSTRUCTIONS FOR REMOTE E-VOTING:**

### **Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

### **Login method for Individual shareholders holding securities in demat mode is given below:**

#### **1. Individual Shareholders holding securities in demat mode with NSDL:**

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL:
1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
  4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form is given below:**

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details:

**A. User ID:** Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

#### **Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

#### **Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

#### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.



### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22- 23058542-43.

### Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

-  Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
-  Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

### Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event". [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on:- Tel: 022 - 4918 6000.

## GENERAL INSTRUCTIONS:

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, September 23, 2022.
2. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cut-off date for voting i.e. Friday, September 23, 2022, may obtain the login ID and password by following the instructions of Remote e-voting.
3. Process at the AGM is conducted in a fair and transparent manner.
4. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.tirupatiforge.com](http://www.tirupatiforge.com) and on the LIPL website <https://instavote.linkintime.co.in> and shall also be forwarded to National Stock Exchange of India Ltd (NSE).



**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**ITEM NO.3: TO APPOINT M/S. KAMLESH RATHOD & ASSOCIATES, CHARTERED ACCOUNTANTS, [FIRM REGISTRATION NO.: 117930W] AS STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION, FOR A FIRST TERM OF FIVE CONSECUTIVE YEARS:**

M/s Maharishi & Co., Chartered Accountants (Firm Reg. No. 124872W) were appointed as Statutory Auditors of the company at the 7<sup>th</sup> Annual General Meeting (AGM) held on 20<sup>th</sup> September, 2019, to hold their office for a period of 3 consecutive years till the conclusion of the 10<sup>th</sup> AGM to be held during the year 2022. The term of the existing auditor of the company to be completed at this annual general meeting of the Company. Therefore, in compliance with provision of the Companies Act, 2013, it is require to appoint new auditor of the company at the annual general meeting. The Board of Directors, on the recommendation of the Audit Committee, recommended for the approval of the members of the Company, the appointment of M/s Kamlesh Rathod & Associates, Chartered Accountants (Firm Registration No. 117930W), as Statutory Auditors for the first term of 5 consecutive years commencing from the conclusion of 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

While recommending the appointment of M/s Kamlesh Rathod & Associates, Chartered Accountants as Statutory Auditors, various parameters like capability to serve a Company's business, audit experience in the Company's operating segments, market standing of the firm, Clientele served, technical knowledge etc., were considered and found M/s Kamlesh Rathod & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Brief Profile of M/s. Kamlesh Rathod & Associates, Chartered Accountants is as under:

Name of Firm	M/s. Kamlesh Rathod & Associates
Constitution of Firm	Partnership Firm
Name of Auditor	CA Sagar Shah
Membership No.	131261
Firm Registration No	117930W
Qualification	B.Com, D.I.S.A. (I.C.A.I), F.C.A.
Accomplishments	<ol style="list-style-type: none"> <li>1. Kamlesh Rathod &amp; Associates is established by CA Mr. Kamlesh Rathod in the year 1998.</li> <li>2. It has emerged as one of the leading practice unit. It has developed sufficient infrastructure to render comprehensive professional services on various fields of Audit &amp; Assurance Service, Advisory Services, Knowledge / Business Process Outsourcing, Project Financing to the various clients, firm also caters it services under foreign trade policy, Labour Laws, Arbitration and litigation under any business laws.</li> <li>3. The firm has also carried out internal audit of Reliance Petroleum Limited a refinery set up in SEZ unit &amp; other group companies in Power projects in DTA &amp; SEZ. The firm has also carried out internal audit of Essar Steel outlets of Gujarat Region.</li> <li>4. The firm is peer reviewed in the year 2006, 2010, 2014, 2018 &amp; 2021.</li> </ol>

The remuneration proposed to be paid to statutory auditor during the first term would be in line with the existing remuneration and shall commensurate with the services to be rendered by them during the said tenure. The Board of Directors upon recommendation of Audit Committee may alter & vary the terms & conditions of appointment, including remuneration in such manner & to such extent as may be mutually agreed with the Statutory Auditors.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Act and they satisfy the criteria with respect to their eligibility, provided in Section 141 of the Act read with rules made thereunder. They have also stated that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the "Peer Review Board" of ICAI.

None of the Director/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the Ordinary Resolution set out at item No. 3 for the approval of members.

**ITEM NO.4: TO APPOINT SMT. JAGRUTI NITINKUMAR ERDA [DIN: 09680025] AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

The Board of Directors of the Company in their Meeting held on 26<sup>th</sup> July, 2022, based on recommendations of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article of Association of the Company, had approved appointment of Smt. Jagruti Nitinkumar Erda [DIN: 09680025] as an Additional Director under the Category of Independent Director for a term of 5 (Five) years w.e.f. 26<sup>th</sup> July, 2022, subject to approval of members at the ensuing Annual General Meeting of the company. The company had received consent from Smt. Jagruti Nitinkumar Erda, to act as a Director of the Company along with a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The company had also received a declaration from him that he meets the criteria of independence as prescribed under Section 149 (6) of the Act, rule 6 (3) of Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI Listing Regulations. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Smt. Jagruti Nitinkumar Erda has confirmed that she has registered her name in the data bank with the Indian institute of corporate Affairs.

In accordance with the provisions of Section 149 read with Schedule IV of the Act, appointment of Independent Director requires approval of members of the Company. Further, in terms of Regulation 17 (1C) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 effective from 01<sup>st</sup> January, 2022, the listed Companies are required to obtain the approval of the shareholders for appointment of a Director, at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Further, in terms of Regulation 25 (2A) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 effective from 01<sup>st</sup> January, 2022, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. Accordingly, the appointment of Ms. Jagruti Nitinkumar Erda would require the approval of the members of the Company on or before 25<sup>th</sup> October, 2022.

In the opinion of the Board, Smt. Jagruti Nitinkumar Erda fulfills the Conditions for appointment as an Independent Director of the Company as specified in the Act and SEBI Listing Regulations. Smt. Jagruti Nitinkumar Erda is a person of integrity and independent of the management and possesses appropriate skills, experience and knowledge.

Considering the extensive knowledge and experience in the field of engineering, Finance, General management, Human Resource Development, Education, her appointment is in the best interest of the company.

Upon the confirmation of the appointment of her as Independent Non-Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Non-Executive Independent Director. Accordingly, the Board of Directors of the Company recommend the passing of the **Special Resolution** at Item No. 4 to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution.

**ITEM NO 5: TO RE-APPOINT HITESHKUMAR G. THUMMAR [DIN: 02112952] AS CHAIRMAN & MANAGING DIRECTOR AND APPROVAL OF REMUNERATION UNDER SECTION 196 AND 197 READ WITH SCHEDULE V OF THE COMPANIES ACT, 2013:**

Mr. Hiteshkumar G. Thummar [DIN: 02112952] was appointed as the Managing Director of the company for a period of five years with effect from July 31, 2017, after obtaining due approval of the members of the company in their Extra-ordinary General Meeting held on July 31, 2017. Accordingly, the present term of Mr. Hiteshkumar G. Thummar [DIN: 02112952] comes to an end on July 30, 2022.

Mr. Hiteshkumar G. Thummar [DIN: 02112952] is Master of Business Administration in International Marketing - Queensland University - London. Looking towards experience, knowledge of Mr. Hitesh Thummar in the field of Marketing and Technology, the company was designated Mr. Hitesh Gordhanbhai Thummar as Chairman & Managing Director. The present proposal is for seeking members' approval for the re-appointment of Mr. Hiteshkumar G. Thummar [DIN: 02112952] as a Managing Director & chairman and approval of the remuneration payable to Mr. Hiteshkumar G. Thummar [DIN: 02112952] of the Company in terms and the applicable provision of the Companies Act 2013,

The Board of Director of the Company at its meeting held on 26<sup>th</sup> July, 2022 has, subject to approval of the members, approve the remuneration up to Rs. 3,00,000/- (Rupees Three Lakh Only) per month subject to change as per profitability of the company. The remuneration including benefits, amenities and perquisites shall nevertheless be paid and allowed to Mr. Hitesh Gordhanbhai Thummar as remuneration for any financial year in case of absence or inadequacy of profits for such year.

**Particulars required under schedule V for Appointment of Shri. Hiteshkumar Gordhanbhai Thummar as under:**

➤ **GENERAL INFORMATION:**

<b>Nature of Industry</b>	:	Forging Industry
<b>Date of Commencement of commercial Activity</b>	:	17 <sup>th</sup> August, 2012
<b>In case of New Companies, Expected date of Commercial Activities</b>	:	Not Applicable
<b>Financial Performance</b>	:	As per financial summary in Director Report
<b>Foreign Investment</b>	:	Not Applicable

➤ **INFORMATION ABOUT APPOINTEE:**

**1) BACK GROUND DETAILS:**

Mr. Hiteshkumar Gordhanbhai Thummar is engaged with the company since 25<sup>th</sup> March 2017. He is Master of Business Administration in International Marketing from Queensland University, London. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations of our Company.

**2) PAST REMUNERATION:**

Financial Year	Remuneration
2021-22	Rs. 18,00,000/- per annum
2020-21	Rs. 15,00,000/- per annum
2019-20	Rs. 15,00,000/- per annum

**3) RECOGNISATION OR AWARD:** Not Applicable

**4) JOB PROFILE AND SUITABILITY:**

Mr. Hitesh Gordhanbhai Thummar is looking all over work of the company. He is a Master of Business Administration in International Marketing from Queensland University, London and have in-depth knowledge of forging industries. The Company has grown too many folds and has also expanded its scope of work which can be successfully implemented under his leadership Therefore, He is a proper person to justify the present post of "Managing Director & Chairman" and for remuneration payable to him.

**5) PROPOSED REMUNERATION:**

The proposed remuneration limit is up to INR 3,00,000/- per month basis. The Board has approved the remuneration limit for the period of three financial year starting with effect from 31<sup>st</sup> July, 2022 till 30<sup>th</sup> July, 2025. The Board may mutually reduce the remuneration on the base of Financial Performance of the Company within the Limit Prescribed under Companies Act, 2013.

**6) COMPARISON OF REMUNERATION:**

The remuneration is decided after comparison of remuneration package of experienced person of other companies working within same industries. Further remuneration is decided after the responsibilities shouldered on him as Chairman & Managing Director.

**7) PECUNARY RELATIONSHIP:**

Directors, their relatives and Members of the Company, may be deemed to be concerned or interested in this Resolution to their respective shareholding in the Company to the same extent as that of every other member of the company.

➤ **OTHER INFORMATION:**

01.	Reason of loss or inadequate profits	Company is Profit making company but for better compliance the board passed the special resolution under schedule V of Section II of Part II.
02.	Steps taken or proposed to be taken for improve	The Management is taking continuous and progressive step to improve the performance
03.	Expected increase in	The Management expecting 25% to 30% increase in

	Productivity and Profit in Measurable terms	productivity. The profit will also increase accordance with turnover subject to other distinct features and other aspect prevailing in the business.
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**Information Pursuant To 1.2.5 of the Secretarial Standard on General Meeting (SS-2) Regarding Director Seeking Appointment/ Re-Appointment**

Age	41 Years [Date of Birth: 27/08/1981]
Qualification	Master of Business Administration in International Marketing
Experience	He has experience of more than 15 years in this filed and he is Associated with the Company since 25 <sup>th</sup> March, 2017.
Terms and Conditions of Appointment or re-appointment	<p>Substantial Terms and Conditions of Appointment are as under;</p> <ol style="list-style-type: none"> <li>1. Shri Hiteshkumar G. Thummar (DIN: 02112952) will be appointed as the Managing Director of the company with effect from 31<sup>st</sup> July 2022.</li> <li>2. The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the company (hereinafter called "the Board") shall, from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and control, management and superintendence of the business of the company with power to appoint and to dismiss employees and to enter into contracts on behalf of the company in the ordinary course of business and to do and perform all other acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the company provided however, that nothing shall be done by the Managing Director which by the Act or the articles of the company shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided.</li> <li>3. Without prejudice to the generality of the powers vested in the Managing Director hereinabove the Managing Director shall be entitled to exercise the following powers: - <ul style="list-style-type: none"> <li>(i) With the Board's approval, together with the person in charge of finance for the time being of the company and other personnel authorized by the Board, to open and operate any banking or other account and to draw, make, accept, execute, endorse, discount, negotiate, retire, pay, satisfy and assign cheques, drafts, bills of exchange, promissory notes, hundis, interest and dividend warrants and other negotiable or transferable instruments or securities.</li> <li>(ii) To borrow moneys with or without security, for the purpose of business of the company, subject of course to the approvals of the company as required under section 185 and 186 of the Companies Act, 2013 and approval of the Board of directors of the company as required under section 179 of the said Act and subject further to such maximum limit as the Board may impose from time to time while giving its approval.</li> </ul> </li> </ol>

	<p>(iii) To invest funds of the company (other than in the shares of the other companies covered by section 186 of the Act) and fixed deposit with the company's bankers.</p> <p>(iv) To appoint distributors for the sale of the products of the company subject to prior approval of the Board whenever necessary.</p> <p>(v) To ensure that all taxes due to the Central and State Governments and Municipal authorities are paid promptly.</p> <p>(vi) To engage any suitable persons in the employment of the company.</p> <p>(vii) To increase the salary or remuneration of any employee of the company and to sanction annual increases.</p> <p>(viii) To enter into contracts for the purchase of goods for the company subject to prior approval of the Board of directors in terms of Sections 188 and 184 of the Companies Act, 2013, wherever necessary.</p> <p>(ix) To institute, prosecute, defend, oppose, appear or appeal to, compromise, refer to arbitration, abandon and execution, become non-suited in any legal proceedings including trademarks, trade names, trade property and passing off actions and revenue proceedings relating to customs or excise duties, tax on income, profit and capital and taxation generally or otherwise.</p> <p>4. The Managing Director shall throughout the said term, devote his entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to the comply with the directions and regulations made by the Board, and shall faithfully serve the company and use his utmost endeavors to promote the interests of the company.</p> <p>5. The company shall pay any remuneration to the Managing Director as per decision of the Board of Director which should be as prescribed by The Companies Act, 2013 or any modification or alteration or replacement of the Such Act. The company shall reimburse of actual expenses incurred by the managing director in connection with the company's business.</p> <p>6. The Managing Director shall not, during the period of his employment and without the previous consent in writing of the Board, engage or indulge himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm company, or body corporate as aforesaid or any such competing undertaking or business as aforesaid.</p>
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	<p>7. The Managing Director shall not, during the continuance of his employment with the company, divulge or disclose to any person, firm, company or body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or as to any trade secrets or secret processes of the company and the managing director shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, company or body corporate concerned from doing so.</p> <p>8. Either party shall terminate this employment by giving to the other advance notice of three months.</p> <p>9. The Managing Director shall, from time to time, during his employment hereunder fully disclose to the company the progress of investigations and of any discoveries he may make himself or in conjunction with other officials or non-officials with regard to any improvement, invention or discovery arising out of or in connection with the said employment, he shall forthwith disclose to the company a full and complete description of the nature of said improvement, invention or discovery and the mode of performing the same.</p> <p>10. This terms and conditions hereof shall be subject to the approval of the shareholders of the company in general meeting and also of the Central Government under the relevant provisions of the Companies Act, 2013 if necessary.</p>
Date of First appointment on the Board	25 <sup>th</sup> March, 2017
No. of Shares held	1,07,10,000/- Equity Shares
Relationship with Directors, Managers & KMP	Related to Smt. Darshna H. Thummar- Wife
No. of Board Meetings Attended during the previous Financial Year (2021-22)	All
Chairman/Member of the Committees of Board of other Companies	Not Applicable

# Audit Committee and Stakeholders Relationship Committee have been considered.

Mr. Hiteshkumar G. Thummar [DIN: 02112952] has been associated with the company since last 5 years and has contributed a great value in the growth and success of the company with his rich expertise in the industry where the company operates. It would be in the interest of the company to continue to avail of his considerable expertise and to re-appoint him as the Chairman & Managing Director.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Hiteshkumar G. Thummar [DIN: 02112952] as the Chairman & Managing Director of the company.

Save and except Mr. Hiteshkumar G. Thummar [DIN: 02112952], and their relatives to the extent of their shareholding interest, if any, in the company, none of the other Directors, Key Managerial Personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board commends the **Special Resolution** set out at Item No. 5 for the approval of Members.

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

**Sd/-**  
**Vivek M. Moliya**  
**Company Secretary and Compliance Officer**

**Place: Hadamtala (Rajkot)**  
**Date: August 30, 2022**

## Annexure

**Information on Director retiring by rotation/recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 as prescribed by ICSI.**

Sr. No.	Particulars	Information	Information	Information
01	Name of Director	Shri. Bhavesh Tulshibhai Barasiya	Shri. Hiteshkumar Gordhanbhai Thummar	Smt. Jagruti Nitinkumar Erda
02	Director Identification Number	05332180	02112952	09680025
03	Category of Directorship	Whole-time Director	Chairman & Managing Director	Independent Director [Non-Executive]
04	Date of Birth	29/12/1985	27/08/1981	10/11/1956
05	Brief Resume, qualification, experience of Director	<p>Mr. Bhavesh Barasiya (DIN: 05332180) is engaged with the company since its incorporation. He is whole time Director of the Company with effect from 14/02/2020.</p> <p>He educated till Secondary School Certificate. He is having depth knowledge about forging industries.</p> <p>He is managing compliance, taxation and legal issues of our Company.</p>	<p>Shri. Hiteshkumar G. Thummar is master of Business Administration in International Marketing from Queensland University-London. He is Chairman &amp; Managing Director of the Company since last 5 years.</p> <p>He possesses vast knowledge in the field of Marketing and Technology. Further, he has expert knowledge in the field of forging industry. He is looking Over management of the Company. He has played instrumental role in growth of the company since their</p>	<p>Smt. Jagruti Nitinkumar Erda holds degree of Diploma in the field of Radio Technology from A.V. Parekh Technical Institute in the year of 1977.</p> <p>She served as clerk typist cum cashier for State bank of India for period of 4 years. Also she was engaged with Associated Road carriers Limited for period of 10 years. Also served as professor in Shantvan School for period of 6 year.</p> <p>She is now happily retired independent women and willing to serve as Independent Director on the</p>

			joining to the Company	Board of the Company.  She possesses knowledge in the field of engineering, Finance, General management, Human Resource Development, Education.
06	Disclosure of relationships between Directors inter-se	No relationship with other Director, Manager and Key Managerial Personnel.	Related to Smt. Darshna H. Thummar-Wife	No relationship with other Director, Manager and Key Managerial Personnel.
07	Names of listed entities in which the person also holds the Directorship	Except Tirupati Forge Limited, he does not hold directorship in any Listed Company.	Except Tirupati Forge Limited, he does not hold directorship in any Listed Company.	Except Tirupati Forge Limited, she does not hold directorship in any Listed Company.
08	Chairman/ Member of the Committees of the Board of Directors of the Company.#	Not Applicable	Not Applicable	*Membership in Committee - 2  *Chairmanship in Committee - 1
09	The membership of Committees of the board	1. Complaints Committee for Sexual Harassment Complaints Redressal  2. Corporate Social Responsibility Committee	1. Complaints Committee for Sexual Harassment Complaints Redressal  2. Corporate Social Responsibility Committee	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholder Relationship Committee
10	Disclosure of Disqualificat	he is not disqualified from being appointed as a	he is not disqualified from being appointed as a	She is not disqualified from being appointed as a

	ion	Director	Director	Director
11	No. of Shares held in the Company as on 31 <sup>st</sup> March, 2022	5,37,600 Shares	1,07,10,000 Shares	Nil
12	Terms and conditions for appointment/re-appointment	Whole-time Director, liable to retire by rotation	Chairman & Managing Director, liable to retire by rotation	Independent Director, not liable to retire by rotation
13	Remunerations Last drawn	7,20,000/-	18,00,000/-	Not Applicable
14	Number of Board Meetings attended during the year	12	12	*Not Applicable
15	Justification for choosing the Independent Director	Not Applicable	Not Applicable	As per Explanatory Statement of Notice.
16	Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Refer point no. 2 (iii) of Corporate Governance Report	Refer point no. 2 (iii) of Corporate Governance Report	As per the Explanatory Statement of Notice.
17	Listed Entities from which the Director has resigned in past 3 years	Nil	Nil	Nil

# Audit Committee and Stakeholders Relationship Committee have been considered.

🇮🇳 Smt. Jagruti Nitinkumar Erda was appointed on the Board and various committees of the company with effect from 26<sup>th</sup> July, 2022 i.e. after completion of financial year 2021-22.

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

**Sd/-  
Vivek M. Moliya  
Company Secretary and Compliance Officer**

**Place: Hadamtala (Rajkot)  
Date: August 30, 2022**

### **ATTENDANCE SLIP**

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

I hereby record my /our presence at the **10<sup>th</sup> ANNUAL GENERAL MEETING** of the Company being held on **Friday, September 30, 2022 at 12:30 p.m.** at **Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala Rajkot 360 011 Gujarat India**

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

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**Signature of the shareholders/ Proxy Present/Authorised Representative**

**Notes:**

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

**PROXY FORM**  
**FORM NO: MGT-11**

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

Name of the Company	<b>TIRUPATI FORGE LIMITED [CIN: L27320GJ2012PLC071594]</b>
Registered Office	<b>Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala Rajkot 360 011 Gujarat India</b>

Name of the Member (s)	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP/ ID	

**I /We, being the member(s) of ..... Shares of the above-named Company, hereby appoint:**

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

as my /our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Annual General Meeting of the Company to be held on **Friday, September 30, 2022 at 12:30 p.m. at Plot No. 1-5, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala Rajkot 360 011 Gujarat India**, and any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
	• <b>Ordinary Businesses:</b>		
1.	To Receive, Consider and adopt the financial Statement including Audited Balance Sheet as on 31st March 2022 and Profit & Loss Account for the year ended on that date and reports of Board of Directors and Auditor thereon and Cash Flow Statement and other various schedule prescribed under the Companies Act, 2013		
2.	To appoint a Director in place of <b>Shri. BHAVESHBHAI TULSIBHAI BARASIYA, Whole-time Director [DIN: 05332180]</b> , who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To Appoint M/S. Kamlesh Rathod & Associates, Chartered Accountants, [Firm Registration No.: 117930W] As Statutory Auditors Of The Company And To Fix Their Remuneration, For A First Term Of Five Consecutive Years:		
	• <b>Special Businesses:</b>		
4.	To Appoint Smt. Jagruti Nitinkumar Erda [Din: 09680025] As An Independent Director Of The Company		
5.	To Re-Appoint Hitesh Kumar G. Thummar [Din: 02112952] As Chairman & Managing Director And Approval Of Remuneration Under Section 196 And 197 Read With Schedule V Of The Companies Act, 2013:		

Signed this ..... day of..... 2022

Signature of Shareholder (s)

Signature of Proxy holder(s)

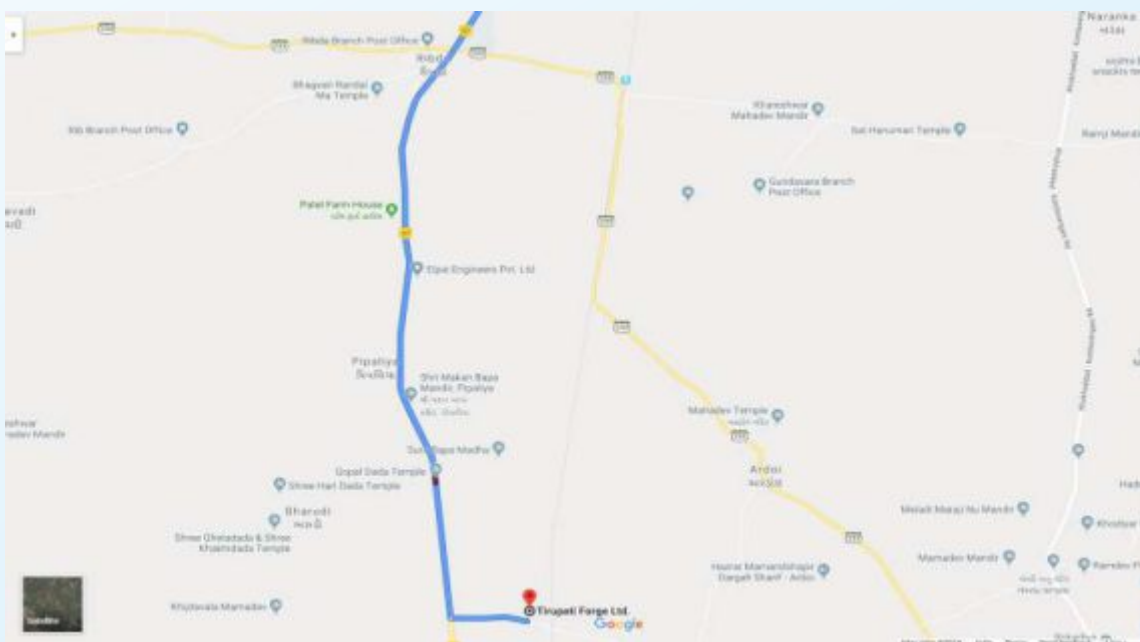
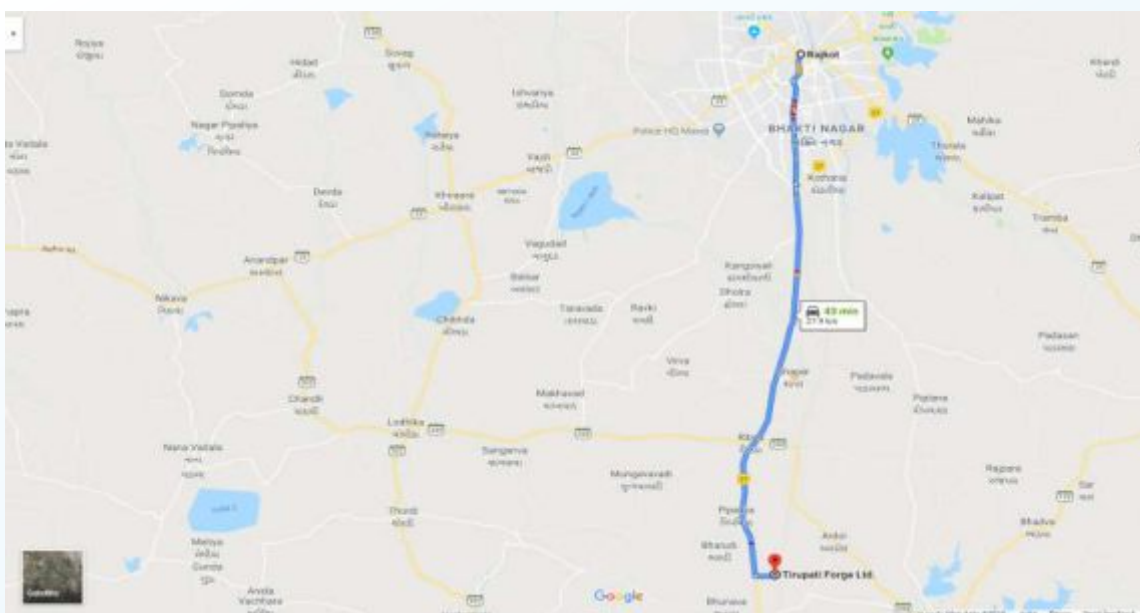
Affix  
Revenue  
Stamp of  
Rs.1/-


#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all the resolutions, your proxy will be entitled to vote (on poll) at the Meeting in the manner he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy will stand automatically revoked.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. This form of proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
8. This form of proxy will be valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
9. Undated proxy form will not be considered valid.
10. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

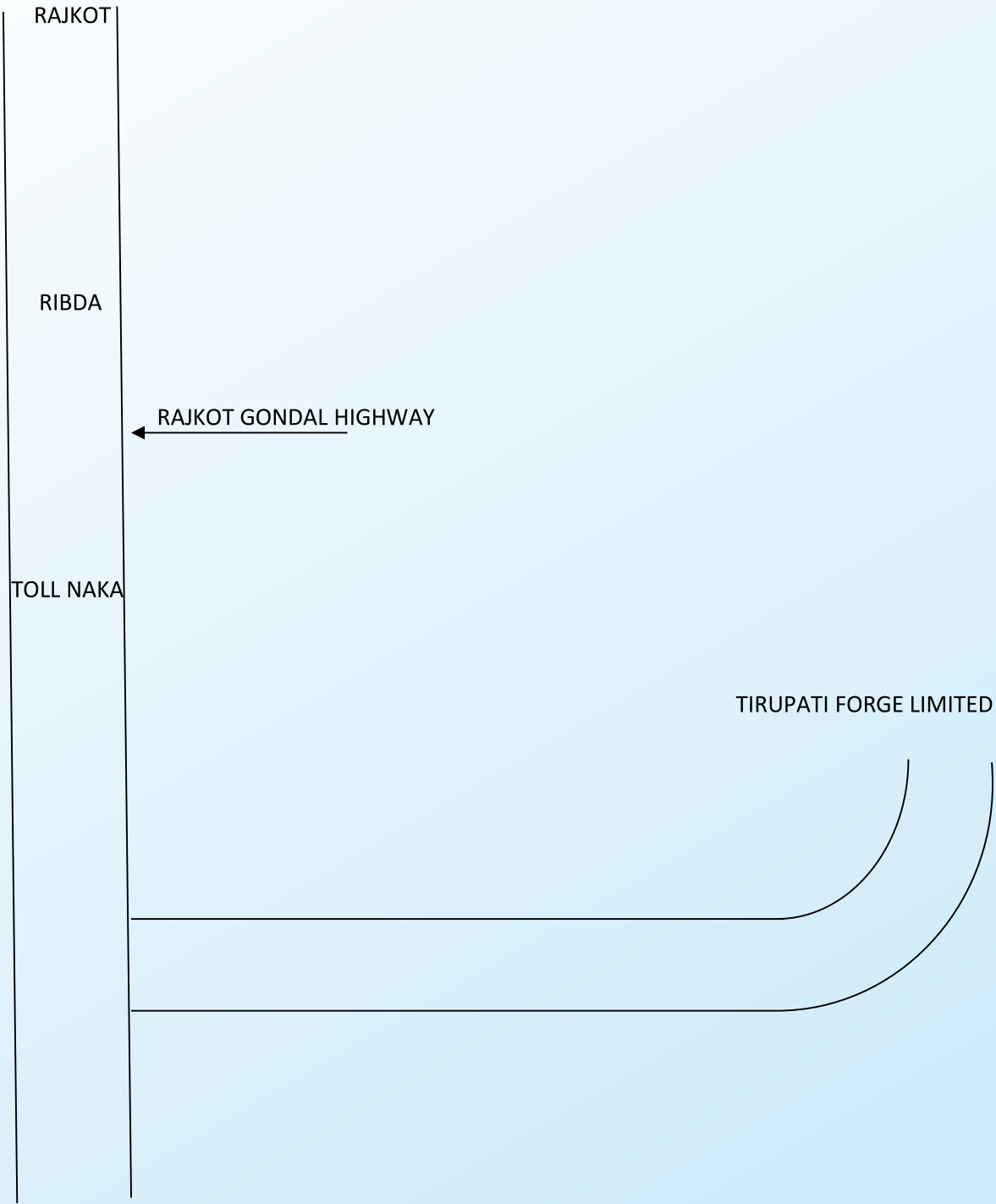
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## ROUTE MAP OF THE VENUE OF AGM



<b>Venue of AGM</b>	Plot No. 1-9, Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani Hadamtala, Rajkot 360 311 Gujarat. India	
<b>Date of AGM</b>	30 <sup>th</sup> September, 2022	
<b>Day of AGM</b>	Friday	
<b>Time of AGM</b>	12:30 P.M.	
<b>Remote E-voting</b>	27 <sup>th</sup> September, 2022 at 09:00 A.M. to 29 <sup>th</sup> September, 2022 05:00 P.M.	

ROUTE MAP OF THE VENUE OF AGM



# DIRECTOR'S REPORT 2021-22

## DIRECTORS' REPORT

To,  
Members of Tirupati Forge Limited,

The Board of directors take pleasure in submitting the **10<sup>th</sup> Annual Report** of the business and operations of your Company ("the Company" or "Tirupati") along with the audited financial statements, for the financial year ended March 31, 2022.

### **1. FINANCIAL PERFORMANCE:**

A summary of the standalone financial performance of your Company, for the financial year ended March 31, 2022, is as under:

**(Amount in Lakhs.)**

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21
1.	Revenue from Operations	8,823.61	3,076.92
2.	Other Income	106.71	20.35
<b>3.</b>	<b>Total Revenue</b>	<b>8,930.32</b>	<b>3,097.27</b>
4.	Cost of Materials Consumed	5,327.74	1,993.91
5.	Purchase of traded goods	363.92	16.57
6.	(Increase) in inventories of finished goods, work-in-progress and scrap	-506.34	-325.34
7.	Employees Benefit Expenses	376.61	215.04
8.	Finance Costs	87.60	37.30
9.	Depreciation and Amortization Expenses	242.92	196.28
<b>10.</b>	<b>Other Expenses</b>	<b>2,202.66</b>	<b>909.10</b>
11.	<b>Total Expenses</b>	<b>8,095.11</b>	<b>3,042.87</b>
12.	Profit Before Tax	835.21	54.40
	Tax Expenses		
	Current Tax	228.89	13.70
	Deferred Tax	-15.99	1.32
<b>13.</b>	<b>Total Tax Expenses</b>	<b>212.90</b>	<b>15.02</b>
<b>14.</b>	<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>15.</b>	<b>Total Comprehensive Income for the Year attributable to equity holders</b>	<b>622.31</b>	<b>39.38</b>
<b>16.</b>	<b>Earning Per Share</b>	<b>0.64</b>	<b>0.04</b>

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS).

## **2. OPERATIONAL RESULTS AND STATE OF COMPANY'S AFFAIRS**

The Highlights of Company's performance for the year ended on **March 31, 2022: (In Lakhs)**



During the financial year under review, the Company's revenue from operations increased by 188.33% to Rs. 8,930.32/- as compared to Rs. 3,097.27/- in the previous financial year.

- Total Expenses has increased from Rs. 3,042.86/- of previous financial year to Rs. 8,095.11/- of the reporting financial year.
- Profit before exceptional & extra-ordinary items and tax increased from Rs. 54.40/- of previous F.Y. 2020-21 to Rs. 835.21/- of the reporting financial year.

- Tirupati recorded Net Profit of Rs. 622.31/- for the year, registering notable growth against profit Rs. 39.38 /- of previous F.Y. 2020-21.
- Earnings per Share (EPS) for the F.Y. 2021-22 is Rs. 0.64/- as compared to Rs. 0.04/- of F.Y. 2020-21.

### **3. PERFORMANCE REVIEW AND ANALYSIS:**

The COVID-19 pandemic has causing significant disturbance and slowdown of economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. The Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies, and keeping its employees and community at the core of it. The health and safety of employees and the communities in which the Company operates continue to be the foremost priority of the Company.

Apart from covid-19 impact, Tirupati Forge achieved the highest total revenue in its history in F.Y. 2021-22 despite the industry just recovering from the pandemic. Encouraging performance across verticals led to a revenue growth of 188.33% and profit growth of 1480.27%, this was led by transformative efforts across all departments, including building on customer trust. Prudent financial management and healthy profits helped maintain a Strong Balance sheet.

### **4. CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March 2022.

### **5. DECLARATION OF DIVIDEND:**

The Board of Directors, in its Meeting held on 03<sup>rd</sup> August, 2021, declared an Interim Dividend of 0.10 per equity share of face value of Re. 10/- each (i.e.: 1% of face value), to all the Shareholders who were recorded on the Register of Members as on 14<sup>th</sup> August, 2021, being the record date fixed for this purpose.

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, the Company is not required to formulate and disclose its Dividend Distribution Policy. However, for better governance practices, the Board of Directors (the "Board") of Tirupati Forge Limited (the "Company") had approved the Company's Dividend Distribution Policy. The Policy on Dividend Distribution is annexed herewith as **Annexure-I**.

### **7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

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

## **8. TRANSFER TO RESERVE:**

The Board has decided not to transfer any amount to the General Reserves. The profits earned during the financial year have been retained in the Profit & Loss Account of the Company for business and operations of the Company. You may refer notes to the financial statements of the company.

## **9. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES:**

The Company does not have Subsidiary, Joint Venture and Associate Company as on 31<sup>st</sup> March, 2022.

## **10. LISTING FEES:**

Your Company has paid the requisite Annual Listing Fee to National Stock Exchange of India Limited), where its securities listed.

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

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between March 31, 2022, and the date of this Report.

## **12. SHARE CAPITAL:**

- **Authorised Share Capital:**

During the year under review, Authorised Share Capital of the company increased from Rs. 11,50,00,000/- (Rupees Eleven Crore Fifty Lakh only) divided into 5,75,00,000 (Five Crore Seventy Five Lakh Only) Ordinary Shares of the face value of Rs. 2/- (Rupees Two Only) (Post sub-division effect) to 20,00,00,000 (Rupees Twenty Crore Only) divided into 10,00,00,000 (Ten Crore only) Equity Shares of Rs. 2/- (Rupees Two Only) each ranking pari-passu in all respect with the existing Equity Shares of the Company by passing ordinary resolution at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2021.

- **Paid up Share Capital:**

During the year under review, the Company passed Board Resolution for sub-division of equity shares of face value of Rs. 10/- each into the face value of Rs. 2/- each pursuant to the provisions of Section 61(1) (d) of the Companies Act, 2013 ("the Act") on 26<sup>th</sup> August, 2021 and passed Ordinary resolution for at the Annual General meeting held on 28<sup>th</sup> September, 2021.

Accordingly, The issued, subscribed and fully paid-up Ordinary Share Capital of the Company Rs. 11,20,00,000 (Rupees Eleven Crore Twenty Lakh Only), comprising of 1,12,00,000 (One Crore Twelve Lakh Only) Ordinary Shares of the face value of Rs. 10/- (Rupees Ten Only) each be sub-divided into 5,60,00,000 (Five Crore Sixty Lakh Only) Ordinary Shares of the face value of Rs. 2/- (Rupees Two Only) each with effect from October 09, 2021.

Further, the Company passed Board Resolution for issue of Bonus equity shares of 4,20,00,000 (Four Crore Twenty Lakh Only) of Re. 2/- (Rupee Two only) each in the proportion of (3:4) 3 (Three) equity share for every 4 (Four) existing equity share on 26<sup>th</sup> August, 2021 and passed Ordinary resolution for at the Annual General meeting held on 28<sup>th</sup> September, 2021.

Accordingly, the Company has allotted Bonus Equity shares on its board meeting held on October 10, 2022 to shareholders as on record date of October 09, 2021.

Therefore, Paid up share capital of the Company was increased from Rs. 11,20,00,000 to 19,60,00,000 at 31<sup>st</sup> March, 2022.

Moreover, the Company has not come up with any Right issue, Issue of Employee Stock Options, Issue of Sweat Equity Shares, Issue of Debentures, issue of Bonds etc.

### **13. CREDIT RATING:**

For Financial year 2021-22, Credit rating is not applicable to the company.

### **14. Listing of Securities with Stock Exchange:**

#### **• Issue and Listed of Securities:**

During the year under review, Issue and Listed capital of the Company has increased by 8,40,00,000 due to allotment of Bonus equity shares of 4,20,00,000 (Four Crore Twenty Lakh Only) of Re. 2/- (Rupee Two only) each in the proportion of (3:4) 3 (Three) equity share for every 4 (Four) existing equity share on October 10, 2021. Consequently, at presently the Listed capital of the Company is 19,60,00,000 divided into 9,80,00,000 (Nine Crore Eighty Lakh Only) equity shares of Rs. 2 (Rupees Two only) each.

### **15. MANAGEMENT:**

#### **• DIRECTORS**

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors. The Board comprised of 6 (Six) Directors as at 31<sup>st</sup> March, 2022, details of which are tabled below:

Sr. No.	Name of Directors	Designation	Directors Identification Number (DIN)
1.	Mr. Hiteshkumar G. Thummar	Chairman & Managing Director	02112952
2.	Mr. Bhavesh T. Barsiya	Whole Time Director	05332180

3.	Mrs. Darshna H. Thummar	Non-Executive & Non Independent Director	07869257
4.	Mr. Ramesh M. Patel	Independent Director	02738359
5.	Mr. Sachin P. Ravani	Independent Director	07874835
6.	Mr. Anand Mohan Shrivastava	Independent Director	08684010

- In accordance with the provisions of Companies Act, 2013, Shri. BHAVESHBHAI TULSIBHAI BARASIYA, Whole-time Director (DIN: 05332180) shall be liable to retire by rotation at the ensuing 10<sup>th</sup> Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board hereby recommends his re-appointment for approval of shareholders in the ensuing Annual general Meeting. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, the detailed information of the director being appointed is provided as an Annexure of the Notice of Annual General Meeting.
- The Company has received declarations from all the directors and with reference to that; there was no disqualification of any Director pursuant to Section 164 (2) of the Companies Act, 2013.
- In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation, which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and that they are independent of the management. In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors is liable to retire by rotation. They have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.
- In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have included their names in the data bank with the Indian Institute of Corporate Affairs.
- In the opinion of Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with schedules and rules thereto as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Independent Directors are independent of management.

- The Company has a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website [www.Tirupatiforge.com](http://www.Tirupatiforge.com)
- The Code has been circulated to all the Members of the Board and Senior Management Personnel and they have affirmed compliance of the same.
- Mr. Ramesh M. Patel - Independent Director of the company had tendered their resignation dated 28.04.2022 to the company and their office being an independent director ceased with effect from April 28, 2022.

• **KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The following have been designated as the Key Managerial Personnel of the company:

Sr. No.	Name of Directors	Designation	Directors Identification Number (DIN)
1.	Mr. Hiteshkumar G. Thummar	Chairman & Managing Director	02112952
2.	Mr. Bhavesh T. Barasiya	Whole Time Director	05332180
3.	Mr. Atul L. Natu	Chief Financial Officer	-
4.	Mr. Vivek M. Moliya	Company secretary and compliance officer	-

**16. MEETINGS OF THE BOARD:**

The Meetings of the Board are held at regular intervals to discuss, deliberate and decide on various business policies, strategies, governance, financial matters and other businesses. During the year under review, the Board of Directors met 12 times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For details, please refer to the report on corporate governance, which forms part of this Annual Report in the form of **Annexure-II**.

• **COMMITTEES OF THE BOARD:**

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope in terms of the provisions of the Companies Act, 2013 & SEBI (LODR) Regulations 2015 read with rules framed thereunder:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Complaints Committee for Sexual Harassment Complaints Redressal

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Annual Report as **Annexure-II**. During the year under review, the Board has accepted all recommendations made by the various committees.

• **MEETING OF INDEPENDENT DIRECTORS:**

In terms of requirements of Schedule IV of the Companies Act, 2013, The Independent Directors of your Company meet before the Board Meetings without the presence of the Executive Chairman or the Managing Director or other Non-Independent Director or Chief Financial Officer or any other Management Personnel. The Independent Directors of the Company met separately on to inter alia review the performance of Non-Independent Directors (including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of information between the Management and the Board. All the Independent directors were attended the meeting.

• **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS/NON-EXECUTIVE DIRECTORS:**

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Executive Directors and Senior Management provide an overview of the operations and familiarize the new Non-Executive Directors on matters related to the Company's values and commitments. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, the Listing Regulations and other relevant regulations and affirmation taken with respect to the same.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarization programmes for its Directors including review of Industry Outlook at the Board Meetings, Regulatory updates at Board and Audit Committee Meetings covering changes with respect to the Companies Act, 2013, Listing Regulations, Taxation and other matters, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, Framework for Related Party Transactions, Plant Visit, Meeting with Senior Executive(s) of your Company, etc. Pursuant to Regulation 46 of the Listing Regulations.

The details required are available on the website of your Company at [www.tirupatiforge.com](http://www.tirupatiforge.com)

## **17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company has framed a Nomination and Remuneration Policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

The Nomination and Remuneration Policy has been placed on the website of the Company at [http://www.tirupatiforge.com/file/Nomination%20and%20Remuneration%20Committee\\_tirupati.pdf](http://www.tirupatiforge.com/file/Nomination%20and%20Remuneration%20Committee_tirupati.pdf).

We affirm that the remuneration paid to Directors, senior management and other employees is in accordance with the remuneration policy of the Company.

The salient features of the Policy are described as per below:

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

1. The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management personnel and recommend to the Board for his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
3. In case of appointment of Independent Director, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company to enable the Board to discharge its function and duties effectively.

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

The Company's remuneration policy is driven by the success and performance of Directors, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them with adequate compensation so that the compensation is used as a strategic tool that helps us to attract, retain and motivate highly talented individuals who are committed to the core value of the Company. The Company follows mixed pay of fixed, benefits and performance based variable pay. The Company pays remuneration by way of salary, benefits, perquisites and allowance. The remuneration paid by the Company are within the salary scale approved by the Board and Shareholders. The details of remuneration paid during the financial year 2021-22 to the Directors of the Company is provided in notes forming part of Financial Statements which is the part of this Annual Report.

## **18. CODE FOR PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes

code for practices and procedures for fair disclosure of unpublished price sensitive information, which has been available on the Company's website at [https://www.tirupatiforge.com/file/Insider%20Trading%20Policy\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Insider%20Trading%20Policy_Tirupati.pdf).

#### **19. POLICY ON BOARD DIVERSITY:**

The Nomination and Remuneration committee has framed a policy for Board Diversity, which lays down the criteria for appointment of Directors on the Board of your Company and guides organization's approach to Board Diversity.

Your Company believes that, Board diversity basis the gender, race, age will help build diversity of thought and will set the tone at the top. It is, therefore, imperative that the Board consists of individuals who together offer an optimal mix of skills, experiences and backgrounds. The Board of Directors is responsible for review of the policy from time to time. Policy on Board Diversity has been placed on the Company's website at <https://www.tirupatiforge.com/file/Board-Diversity-%20Policy.pdf>.

#### **20. POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT/ INFORMATION:**

This policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations. Policy has been placed on the Company's website at [https://www.tirupatiforge.com/file/Materiality%20Event\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Materiality%20Event_Tirupati.pdf)

#### **21. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES:**

The policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. Policy on determining Material Subsidiaries has been placed on the Company's website at <https://www.tirupatiforge.com/file/material-subsidiaries.pdf>

#### **22. CODE OF CONDUCT:**

The Board of your Company has laid down two separate Codes of Conduct, one for all the Board Members and the other for Employees of the Company. This Code is the central policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location. Policy on code of conduct has been placed on the Company's website at [https://www.tirupatiforge.com/file/Code%20of%20Conduct%20for%20Diretors%20and%20Senior%20Management\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Code%20of%20Conduct%20for%20Diretors%20and%20Senior%20Management_Tirupati.pdf)

#### **23. ARCHIVAL POLICY:**

As per the policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting.

##### **a. ANNUAL EVALUATION OF DIRECTORS, BOARD AND COMMITTEE PERFORMANCE**

In line with Corporate Governance of the company, the Board generally performs the major roles such as give directions in the form of strategic decisions, provide control and support through advice to the management of the company. It becomes imperative to evaluate the performance of the board as

they are perform their duties on behalf of stakeholders and protection of their interest is supremacy of any organization.

Further, the Board always emphasis the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

- i. Board of Directors as a whole.
- ii. Committees of the Board of Directors.
- iii. Individual Directors including the Chairman of the Board of Directors.

Board Evaluation helps to identify areas for potential adjustment and provides an opportunity to remind directors of the importance of group dynamics and effective board and committee processes in fulfilling board and committee responsibilities.

The Main object of performance evaluation defined as per the below:

1. Improving the performance of Board towards corporate goals and objectives.
2. Assessing the balance of skills, knowledge and experience on the Board.
3. Identifying the areas of concern and areas to be focused for improvement.
4. Identifying and creating awareness about the role of Directors individually and collectively as Board.
5. Building Teamwork among Board members.
6. Effective Coordination between Board and Management .
7. Overall growth of the organization.

Performance evaluation of the Board based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning, etc.

Performance evaluation of Committees based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

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

#### **24. REMUNERATION OF DIRECTORS AND EMPLOYEES:**

Pursuant to Section 134(3)(q) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022 and forming part of the Directors' Report for the said financial year is provided in "Annexure-III".

## **25. PARTICULARS OF EMPLOYEES:**

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

## **26. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there were no material departures;
- b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit of the Company for that period;
- c. They have had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. They have had prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **27. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System including Internal Financial Controls, commensurate with the size, scale and complexity of its operations as approved by the Audit Committee and the Board. The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

The Company recognizes that the Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. In addition, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Further, the Internal Financial Control framework is under constant supervision of Audit Committee, Board of Directors and Independent Statutory Auditors. During the year, no reportable material weakness in the design or operations was observed. The stakeholder may refer to the Audit report for comment on internal control system and their adequacy.

#### **28. Frauds reported by the Auditor:**

During the year under review, the Statutory Auditors and Secretarial Auditor 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 need to be mentioned in Director's Report.

#### **29. PUBLIC DEPOSITS**

During the year under review, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. The stakeholders may refer notes to the financial statements and audit report part of this report.

#### **30. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

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

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

#### **31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

- Your board of directors informs that the Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability.

- There were no materially significant related party transactions with the Promoters, Directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.
- The Particulars of contracts, arrangements with related parties entered in ordinary course of business and on arm's length basis referred to in Section 188 (1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure-IV** to this Board Report.
- In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. A policy on related party transactions has been placed on the Company's website at [http://www.tirupatiforge.com/file/Related%20Party%20Transaction\\_Tirupati.pdf](http://www.tirupatiforge.com/file/Related%20Party%20Transaction_Tirupati.pdf). Member may refer to note no. 32 and 33 to the standalone and consolidated financial statement respectively, which sets out related party disclosures pursuant to IND AS-24.
- Pursuant to Regulation 23(9) of SEBI Listing Obligation and Disclosure Requirements) Rules, 2015, your Company has filed the reports on related party transactions with the Stock Exchange (National Stock Exchange of India Limited).

### **32. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

Your Company is committed to promote a safe and professional work environment that fosters teamwork, diversity and trust across. Your Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Your Company has constituted its Internal Complaints Committees, set up to redress complaints received in regards to sexual harassment at workplace.

During the year under review, no complaints with allegations of sexual harassment were received as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

### **(A) Conservation of energy-**

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. This also helps in reducing carbon footprint across all its operations and improve the bottom-line under our 'Mission Sustainability'.

(i) The steps taken or impact on conservation of energy:-

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

(ii) The steps taken by the company for utilizing alternate sources of energy;

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

(iii) The capital investment on energy conservation equipment;

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

### **(B) Technology absorption-**

Your Company is committed towards technology driven innovation and inculcating an innovation driven culture within the organisation. Your Company continued to work on advanced technologies, upgrade of existing technology and capability development in the critical areas for current and future growth.

(i) The efforts made towards technology absorption ;

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

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not applicable

(iv) The details of technology imported: Not applicable

- (v) The year of import: Not applicable
- (vi) Whether the technology been fully absorbed: Not applicable
- (vii) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable
- (viii) The expenditure incurred on Research and Development- Not applicable

**(C) Foreign exchange earnings and Outgo-**

(In Lakh)

Particulars	F.Y. 2020-21	F.Y. 2020-21
Foreign Exchange Earnings (in Rs.)	7307.55	1779.26
Foreign Exchange Outgo (in Rs.)	2183.58	35.05

**34. RISK MANAGEMENT:**

The Company is exposed to various potential risks like Economical Risk, Compliance Risk, Operational Risk, Environmental Risk and Financial Risk. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. If any weaknesses are identified in the process of review, the same are addressed to strengthen the internal controls, which are also revised at frequent intervals.

The Risk Management Policy has been placed on the website of the Company at [https://www.tirupatiforge.com/file/Risk%20Management%20Policy\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Risk%20Management%20Policy_Tirupati.pdf)

**35.DETAILS OF ESTABLISHMENT OF VIGIL MECHANISMFOR DIRECTORS AND EMPLOYEES:**

As per the provisions of Section 177(9) and (10) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of the SEBI (Listing Obligations and DisclosureRequirements) Regulations, 2015, the Company has established a vigil mechanism through which employees and business associates may report unethical behaviour, wrong doing, malpractices, fraud, violation of Company's code of conduct, leak or suspected leak of unpublished price sensitive information without fear of reprisal.

The functioning of the Vigil Mechanism is reviewed by the AuditCommittee from time to time. None of the Directors or employeeeshave been denied access to the Audit Committee of the Board.

The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld.

The policy on vigil mechanism of the company is also available on the website of the company [https://www.tirupatiforge.com/file/Vigil%20Mechanism\\_Whistle%20Blower\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Vigil%20Mechanism_Whistle%20Blower_Tirupati.pdf).

### **36. MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS:**

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

### **37. ANNUAL RETURN:**

Pursuant to the provision of Section 134 (3)(a) and Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for F.Y. 2021-22 is uploaded on the website of the Company at [www.tirupatiforge.com](http://www.tirupatiforge.com).

### **38. AUDITORS:**

#### **A. STATUTORY AUDITORS:**

- **Maharishi & Co., Chartered Accountants, (ICAI Firm Registration No. 124872W)**, the Statutory Auditor of the Company, appointed to hold office until the conclusion of the Annual General Meeting of the Company to be held in the year 2022 as per the provisions of **Section 139** of the Companies Act, 2013. **M/s. Maharishi & Co.** completed their term as auditor of the Company. Therefore, the board has recommended to shareholders, the name of **M/s Kamlesh Rathod & Associates, Chartered Accountants (Firm Registration No. 117930W)** as statutory auditor of the company to hold office for a period of 5 year starting from conclusion of 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting of the company to be held in the year of 2027.
- The Statutory Auditors **Maharishi & Co., Chartered Accountants, (ICAI Firm Registration No. 124872W)** have issued their reports on Financial Statements for the year ended March 31, 2022. There are no adverse remarks or qualifications in the said report. The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.
- As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
- Pursuant to **Section 141** of the Act, the Auditors have represented that they are not disqualified and eligible to act as the Auditor of the Company.

## **B. INTERNAL AUDITOR**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by **M/s. M. B. SARDHARA & ASSOCIATES (FRN: 127974W & Membership No: 120837)**, the Internal Auditors of the Company. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditors.

The Board of Directors of the Company has re-appointed **M/s. M. B. SARDHARA & ASSOCIATES (FRN: 127974W & Membership No: 120837)** to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2022-23.

## **C. SECRETARIAL AUDITOR**

Pursuant to the provisions of **Section 204** of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, the Board of Directors appointed **Mr. CS Piyush Jethva (ICSI Membership No.: F6377) (Proprietor)**, Company Secretary in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2022. The Report of the Secretarial Auditor in the prescribed Form MR-3 is annexed herewith as **Annexure-V**. The said Secretarial Audit Report contain remarks that the company has not filed /filed some Form late in time with additional fees to Registrar of Companies/Regional Director/Central Government under The Companies Act, 2013. The Management clarified that it is a procedural lapse only.

## **E. COST AUDITOR**

As per of Section 148 of Companies Act, 2013 and rules made there under, Cost Audit is not applicable to the Company for F.Y. 2021-22. However, the Company has maintained the cost records in accordance with the rules made under the Act.

## **39. SECRETARIAL STANDARDS:**

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

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

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations is presented in a separate section as **Annexure-VI** forming part of the Annual Report.

#### **41. CORPORATE GOVERNANCE:**

At Tirupati Forge, we ensure that we evolve and follow the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value, but also to respect rights of the minority. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership, and governance of the Company.

Pursuant to **Regulation 34** of the SEBI Listing Regulations, Report on Corporate Governance along with the certificate from CS Piyush Jethva - a Practicing Company Secretary certifying compliance with conditions of Corporate Governance is part to this Report. The Report on the Corporate Governance is annexed herewith as **Annexure -II**.

#### **42. Corporate Social Responsibility:**

In accordance with the provisions of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility ("CSR") Committee. Details of composition and meetings of the committee along with terms of reference is part of corporate governance report as **Annexure-II**.

The CSR obligation for the financial year 2021-22 was Rs. 4,52,838/- and the Company had spent Rs. 4,83,571/- for carrying out the CSR projects. The annual report on CSR activities undertaken during the financial year 2021-22 is in accordance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is appended as **Annexure-VII** to this Report. During the year, the Company had successfully completed its CSR obligation.

The CSR policy is available on the website of the Company at [https://www.tirupatiforge.com/file/Corporate%20Social%20Responsibility%20Policy\\_Tirupati%20Forge%20Limited.pdf](https://www.tirupatiforge.com/file/Corporate%20Social%20Responsibility%20Policy_Tirupati%20Forge%20Limited.pdf)

#### **43. BUSINESS RESPONSIBILITY REPORT:**

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Business Responsibility Report ("BRR") for the year 2021-22 is not applicable to the company.

#### **44. GENERAL DISCLOSURE:**

The Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

1. There was no revision made in Financial Statements or the Board's Report of the Company;
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;
3. Issue of sweat equity shares to employees of the Company under any scheme;

4. Raising of funds through Preferential Allotment, Rights Issue or Qualified Institutional Placement;
5. Suspension of trading of equity shares of the Company;
6. No application for Bankruptcy under the Insolvency & Bankruptcy Code, 2016 was made against the Company during the financial year under review nor are there any pending proceedings for the same.

#### **45. APPRECIATION AND ACKNOWLEDGEMENTS:**

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by executives, officers and staff for their contribution and for making the Company what it is.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful, and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors like to take this opportunity to thank Shareholders, customers, vendors, dealers, suppliers, Bankers, government authorities for the support, encouragement and their confidence in the management during the year.

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

**Hiteshkumar G. Thummar  
Chairman & Managing Director  
(DIN: 02112952)**

**Date: August 30, 2022  
Place: Hadamtala (Rajkot)**

# OLYMPIAN DISTRIBUTION

**DIVIDEND DISTRIBUTION POLICY****1. PREAMBLE:**

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, the Company is not required to formulate and disclose its Dividend Distribution Policy. However, for better governance practices, the Board of Directors (the "Board") of Tirupati Forge Limited (the "Company") had approved the Company's Dividend Distribution Policy.

In the endeavor to provide more clarity to stakeholders on the Company's dividend distribution framework, this revised Dividend Distribution Policy ("Dividend Policy") has been framed for adoption by the Board of the Company. This Dividend Policy shall supersede the earlier policy and shall be effective from April 21, 2022.

**2. DIVIDEND DISTRIBUTION PHILOSOPHY AND OBJECTIVE:**

This Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth. The management endeavors to divide 'net earnings' into dividends and retained earnings in an optimum way to achieve the objective of wealth maximization for shareholders.

**3. DIVIDEND:**

The dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

**4. PARAMETERS FOR DECLARATION OF DIVIDEND:**

External and Internal factors (strategic and financial) that would be considered for declaration of dividend includes:

<b>External Factors</b>	<b>Internal Factors</b>
<ul style="list-style-type: none"> <li>State of Economy in case of uncertain or recessionary economic and business conditions;</li> </ul>	<ul style="list-style-type: none"> <li>Distributable surplus available and liquidity position of the Company;</li> </ul>
<ul style="list-style-type: none"> <li>Market conditions and consumer trends;</li> </ul>	<ul style="list-style-type: none"> <li>Present &amp; future capital requirements of the existing businesses including any acquisition;</li> </ul>
<ul style="list-style-type: none"> <li>Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;</li> </ul>	<ul style="list-style-type: none"> <li>Expansion / Modernization of existing businesses;</li> </ul>
<ul style="list-style-type: none"> <li>Statutory Obligations, Government Regulations and Taxation policies;</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding Borrowings and covenants thereof;</li> </ul>

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Dividend pay-out ratios of companies in the same industry; and</li> </ul> | <ul style="list-style-type: none"> <li>• Likelihood of crystallization of contingent liabilities, if any; and</li> </ul> |
| <ul style="list-style-type: none"> <li>• Other external factors.</li> </ul>  | <ul style="list-style-type: none"> <li>• Other internal factors.</li> </ul>  |

**Circumstances under which shareholders may not expect a dividend includes:**

- Adverse market conditions & business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements which are funded through internal accruals;
- Changing Government regulations; and
- Any other relevant circumstances.

Even under such (unfavourable) circumstances, the Board may, at its sole discretion, and subject to applicable rules, choose to recommend a dividend, including out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 and SEBI Listing Regulations, as may be applicable.

**5. DIVIDEND PAYOUT:**

The Board would endeavour to pay a **Dividend pay-out in the range of 5-10 %** of the Company's Profit after Tax on standalone financials. However, the Board, at its sole discretion, may pay dividend which is higher or lower than this dividend pay-out range.

The Board may also consider declaring or recommending special dividends or one or more Interim dividends during the year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the Annual General Meeting.

The date of the Board meeting in which the dividend proposal will be considered shall be intimated to the stock exchanges and post-board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the SEBI Listing Regulations.

**6. UTILISATION OF RETAINED EARNINGS:**

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding Inorganic and Organic Growth needs including working capital requirement, capital expenditure, repayment of the debt, etc. The Company can consider venturing into new markets/geographies/verticals;
- Research and Development of new products, investment in emerging technologies, etc. to increase market share;
- Capital Expenditure by way of state of art factories, technology upgradation, platform development, etc.
- Mergers and acquisitions;

- Buyback of shares subject to applicable limits;
- Payment of dividends in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

## **7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**

The Company has only one class of shares at this point.

## **8. DIVIDEND POLICY EXCLUSION:**

The Dividend Policy shall not be applicable in the following circumstances:

- a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.
- b) Distribution of dividend in kind i.e. by the issue of fully or partly paid bonus shares or other securities.
- c) Determination and declaring dividends on preference shares, if any.

## **9. DISCLOSURES:**

The Dividend Policy shall be disclosed on the website of the Company i.e., [www.tirupatiforge.com](http://www.tirupatiforge.com).

## **10. REVIEW AND AMENDMENT:**

Any or all provisions of this Dividend Policy would be subject to the revision/amendment to the SEBI Listing Regulations or related circular, notification, guidance notes issued by the Securities and Exchange Board of India or relevant authority, on the subject from time to time.

Any such amendment shall automatically have the effect of amending this Dividend Policy without the need for any approval by the Board or any of its Committees. This Dividend Policy is subject to review from time to time.

## **11. DISCLAIMER:**

This Dividend Policy neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

**For and on behalf of the Board of  
Tirupati Forge Limited**

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

**Date: August 30, 2022**

**Place: Hadamtala (Rajkot)**



# CORPORATE GOVERNANCE REPORT 2021-22

(Annexure-II)

**Report on Corporate Governance for the year ended March 31, 2022**

- This report is prepared in accordance with **Regulation 34(3) read with Schedule V** of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Tirupati Forge Limited ("Hereinafter called "the Company").
- The company developed belief that Corporate Governance is integral to the existence of the company. Corporate governance is all about compliance with all the moral & ethical values, legal framework and voluntarily adopted practices. We feel that corporate governance and ethics go hand in hand. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world.

**Quote:**

"Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders."

**Institute of Company Secretaries of India**

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

**✚ PUBLIC GOOD SHOULD BE AHEAD OF PRIVATE GOOD- ANCIENT MANTRA OF CORPORATE GOVERNANCE**

- Your company follows legacy of Kautilya's Arthashastra describes that for good governance, all administrators, including the king were considered servants of the people. Good governance and stability were completely linked. If rulers are responsive, accountable, removable, recallable, there is stability. If not there is instability. These tenets hold good even today. In modern era, we can substitute the state with the corporation, the king with the Managing Director or the board of a corporation, and the subjects with the shareholders, bring out the quintessence of corporate governance, because central to the concept of corporate governance is the belief that **public good should be ahead of private good** and that the corporation's resources cannot be used for personal benefit.

- ✚ The Corporate Governance in your company based on the key **four pillars**:

<b>Raksha</b>	literally means protection, in the corporate scenario it can be equated with the risk management aspect.
<b>Vridhhi</b>	literally means growth, in the present day context can be equated to stakeholder value enhancement.
<b>Palana</b>	literally means maintenance/compliance, in the present day context it can be

	equated to compliance to the law in letter and spirit.
<b>Yogakshema</b>	literally means well being and in Kautilya's Arthashastra it is used in context of a social security system. In the present day context it can be equated to corporate social responsibility.

- Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. There could be no stronger counsel relevant to modern day corporate governance structures for executive managements to heed the advice given by the non-executive independent colleagues on the board of directors. The Management of your company are committed to meet the aspirations of all our stakeholders and strives to justice with every single penny invested by stakeholders. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.
- We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:
  1. Code of Conduct for Senior Management.
  2. Code of Conduct for Independent Directors
  3. Policy on Insider Trading policy
  4. Policy on Dividend Distribution Policy
  5. Policy on Related Party Policy
  6. Policy on Whistle Blower Policy
  7. Policy on Corporate Social Responsibility (CSR) Policy
  8. Policy on Material Subsidiaries etc.
- Your company has complied with all material respects in true letter and spirit with the features of Corporate Governance Code as prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the practices followed by the Company on Corporate Governance, for the financial year ended March 31, 2022.

## **2. Board of Directors:**

### **(i) Composition:-**

**The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitor the performance of the Company with the objective of creating long-term value for the Company's stakeholders.**

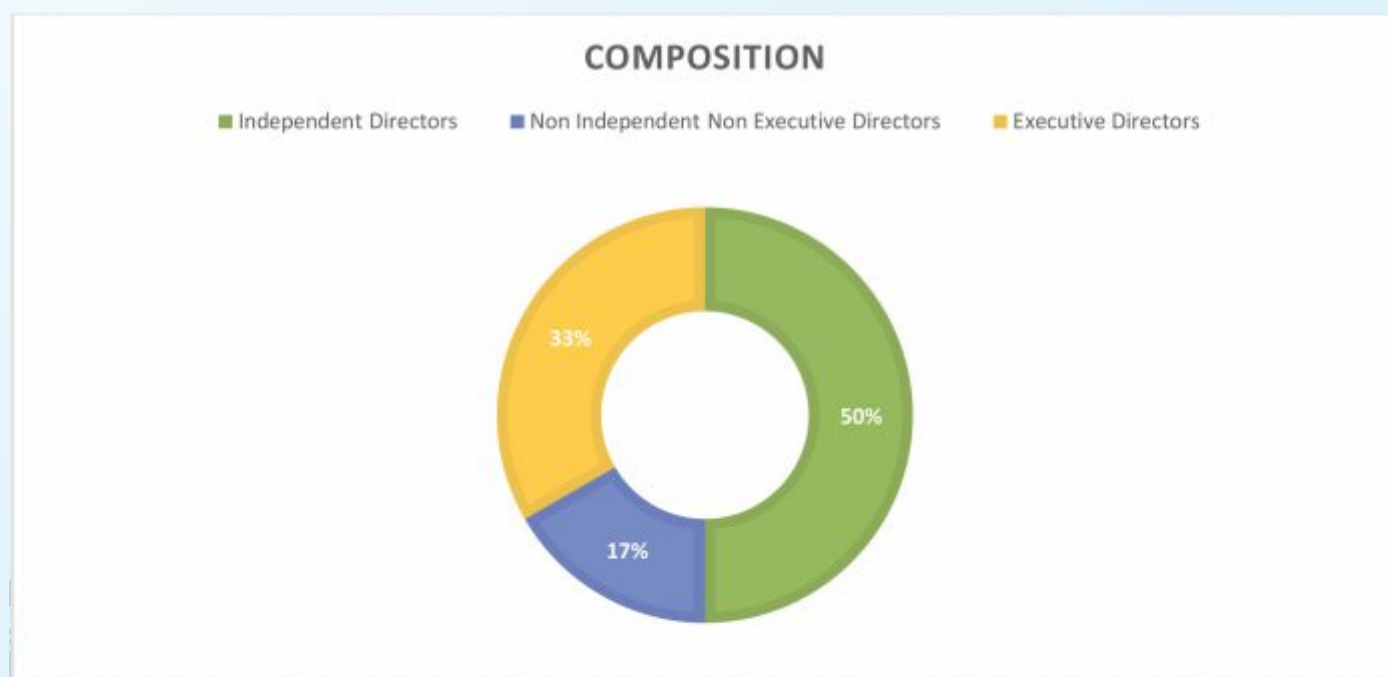
The Board has an appropriate mix of composition of Executive, Non-Executive and Independent Directors. The composition of the Board satisfies the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013, (hereinafter referred to as "the Act").

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges, including details on all material transactions with related parties, if any within 21 days from the close of every quarter. The MD and the CFO have certified to the Board on Inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2022.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

The Independent Directors on the Board are experienced and competent respective fields. The Independent Directors take active part at the Board and Committee Meetings which adds value in the decision-making process of the Board of Directors. The Independent Directors constitute half of the total strength of Board as on 31<sup>st</sup> March, 2022, the details are as under:

Category of Directors	No. of Directors	% of Total Directors
Independent Directors	03	50.00
Non-Independent Non-Executive Directors	01	16.67
Executive Directors	02	33.33
<b>Total</b>	<b>06</b>	<b>100.00</b>



**Details of Composition and category of Directors, Number of Other Directorship, Chairmanship/ Membership of Committee of each directors:**

Name of Directors	Category of Directorship	No. of other Directorship* in Public Ltd	Board Committees**	
			Member	Chairman

HITESHKUMAR G. THUMMAR	Chairman-Executive Director	0	0	0
BHAVESHBHAI T. BARASIYA	Executive Director	0	0	0
DARSHNA H. THUMMAR	Non-Executive Director	0	2	0
RAMESH M. PATEL	Independent Director#	0	2	1
SACHIN P. RAVANI	Independent Director#	0	2	1
ANAND M. SHRIVASTAVA	Independent Director#	0	0	0

**Notes:**

\*Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

\*\*Only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations"). Membership includes Chairmanship.

# Mr. Ramesh Patel resigned from directorship w.e.f. 28.04.2022 (i.e. after completion of Financial Year 2021-22)

**Number of Board Meetings:**

The Board meets at least once in every quarter to review quarterly results and other items on the agenda. Additional meetings are held when necessary. During the year under review, total Twelve (12) Board meetings were held, as against the statutory requirement of four meetings. The details of Board meetings are given below:

Sr. No.	Date of Board Meeting	No. of Directors attended Meeting	Sr. No.	Date of Board Meeting	No. of Directors attended Meeting
01.	01/04/2021	6	07.	10/10/2021	6
02.	08/06/2021	6	08.	28/10/2021	6
03.	01/07/2021	6	09.	20/11/2021	4
04.	03/08/2021	6	10.	17/01/2022	5
05.	26/08/2021	6	11.	08/02/2022	6
06.	09/09/2021	5	12.	25/02/2022	4

**Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting:**

Sr. No.	Date of meetings	HITESHKU MAR G. THUMMAR	BHAVESHBHAI T. BARASIYA	DARSHNA H. THUMMAR	RAMESH M. PATEL	SACHIN P. RAVANI	ANAND M. SHRIVASTAVA
01.	01/04/2021	✓	✓	✓	✓	✓	✓
02.	08/06/2021	✓	✓	✓	✓	✓	✓
03.	01/07/2021	✓	✓	✓	✓	✓	✓
04.	03/08/2021	✓	✓	✓	✓	✓	✓
05.	26/08/2021	✓	✓	✓	✓	✓	✓
06.	09/09/2021	✓	✓	✓		✓	✓
07.	10/10/2021	✓	✓	✓	✓	✓	✓
08.	28/10/2021	✓	✓	✓	✓	✓	✓
09.	20/11/2021	✓	✓	✓		✓	
10.	17/01/2022	✓	✓	✓	✓		✓
11.	08/02/2022	✓	✓	✓	✓	✓	✓
12.	25/02/2022	✓	✓	✓		✓	
13	28/09/2021 (AGM)	✓	✓	✓		✓	

- All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Directors are related to each other except Shri Hiteshkumar G. Thummar and Smt. Darshna H. Thummar being Husband and Wife.
- None of the Independent Directors resigned before the expiry of the term in the financial year 2021-22.
- All Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("The Act") along with rules framed thereunder. Interm of Regulation 25(8) of Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Directors. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the Listing Regulations and that they are independent of the management and the Company.
- None of the Directors on the Board:
  - is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he or she is a Director;
  - holds directorships in more than ten public companies;
  - serves as Director or as Independent Directors (ID) in more than seven listed entities; and
  - Who are the Executive Directors serves as IDs in more than three listed entities.

### **Matrix of Core Skills/ Expertise/ Competencies of Directors in context of business of the Company:**

The Matrix setting out the skills, expertise and competencies of Directors as on 31<sup>st</sup> March 2022, in context of business of the Company is as under:

Sr. No.	Name of Directors	Knowledge On Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, the industry in which the Company operates and advising on domestic market and overseas market.	Behavioral skills – Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,	Financial and Management skills	Technical / Professional skills and specialized knowledge in relation to Company's business	Environment, Health and Safety and Sustainability- Knowledge of working on environment, health and safety and sustainability activities.
01.	HITESHKUMAR G. THUMMAR	✓	✓	✓	✓	✓	✓
02.	BHAVESHBHAI T. BARASIYA	✓	✓	✓	✓		✓
03.	DARSHNA H. THUMMAR		✓	✓	✓		✓
04.	RAMESH M. PATEL	✓	✓	✓	✓		✓
05.	SACHIN P. RAVANI	✓	✓		✓		✓
06.	ANAND M. SHRIVASTAVA	✓	✓	✓	✓		

### **iv) Shareholding of Non-Executive Directors:**

The number of Equity Shares of the Company held by Non- Executive Directors of the Company are as under:

Name of director	No. of Equity Shares Held
Smt. Darshna Hiteshkumar Thummar	25,84,400

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

**Audit Committee**

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Audit Committee meeting is generally held for recommending the Quarterly financial result and for approval of related Party Transactions, if any. The Board has accepted recommendations of Audit Committee, wherever/whenever given. The Chief Financial Officer of the Company is a regular invitee at the Meeting.

**Terms of Reference:**

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
  - (h) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (5) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (6) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (7) approval or any subsequent modification of transactions of the listed entity with related parties;
- (8) scrutiny of inter-corporate loans and investments;
- (9) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (10) evaluation of internal financial controls and risk management systems;
- (11) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (12) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (13) discussion with internal auditors of any significant findings and follow up there on;
- (14) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (15) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (16) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (17) to review the functioning of the whistle blower mechanism;
- (18) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (19) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (20) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The other details with respect to committee composition and meetings are as follow:

**Composition of the Committee:**

Sr. No.	Name of Director	Designation	Category
1	Mr. Ramesh M. Patel	Chairman	Independent Director
2	Mrs. Darshna H. Thummar	Member	Non-Executive Director
3	Mr. Sachin P. Ravani	Member	Independent Director

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Cost Auditors, Secretarial Auditor, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee, whenever necessary. The Company Secretary acts as the Secretary of the Committee.

**(ii) Meetings and Attendance:**

During the financial year ended the 31<sup>st</sup> March, 2022, Five meetings were held under provisions of Companies Act, 2013 on 08<sup>th</sup> June, 2021, 03<sup>rd</sup> August, 2021, 28<sup>th</sup> October, 2021, 15<sup>th</sup> November, 2021 and 8<sup>th</sup> February, 2022. The attendance at the above Meetings was as under:

Sr. No.	Name of Director	08/06/2021	03/08/2021	28/10/2021	15/11/2021	08/02/2022
01.	Mr. Ramesh M. Patel	✓	✓	✓	✓	✓
02.	Mrs. Darshna H. Thummar	✓	✓	✓	✓	✓
03.	Mr. Sachin P. Ravani	✓	✓	✓	✓	✓

#### a. Nomination and Remuneration Committee

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee Meetings are generally held responsible for identifying the persons who are qualified to become Directors, their remuneration and appointment of personnel at senior level management and their removal.

**The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:**

- a) Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;
- c) to carry out evaluation of Director's performance;
- d) assessing the independence of Independent Directors;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) making recommendations to the Board on the remuneration/fee payable to the Directors/ KMPs/ Senior Officials so appointed/reappointed and remuneration, in whatever form, payable to senior management;
- g) Ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h) to devise a policy on Board's diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) Specify the manner of effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by Board, the Nomination and Remuneration

Committee or by independent external agency and review its implementation and compliance;

- k) Such other key issues/ matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules thereunder.

The other details with respect to committee composition and meetings are as follow:

Sr. No.	Name of Director	Designation	Category
1	Mr. Sachin P. Ravani	Chairman	Independent Director
2	Mrs. Darshna H. Thummar	Member	Non-Executive Director
3	Mr. Ramesh M. Patel	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

### (iii) **Meetings and Attendance:**

During the financial year ended the 31st March, 2022, Four meetings were held under provisions of Companies Act, 2013 on 08<sup>th</sup> June, 2021, 03<sup>rd</sup> August, 2021, 28<sup>th</sup> October, 2021 and 08<sup>th</sup> February, 2022. The attendance at the above Meetings was as under:

Sr. No.	Name of Director	08/06/2021	03/08/2021	28/10/2021	08/02/2022
01.	Mr. Sachin P. Ravani	✓	✓	✓	✓
02.	Mrs. Darshna H. Thummar	✓	✓	✓	✓
03.	Mr. Ramesh M. Patel	✓	✓	✓	✓

### a. **Stakeholders' Relationship Committee**

The Company has constituted Stakeholder's Relationship Committee in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Broad Terms of Reference:**

- (1) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, and statutory notices by the shareholders of the Company.

The other details with respect to committee composition and meetings are given as follows.

Sr. No.	Name of Director	Designation	Category
1	Mr. Sachin P. Ravani	Chairman	Independent Director
2	Mrs. Darshna H. Thummar	Member	Non-Executive Director
3	Mr. Ramesh M. Patel	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

**Name and Designation of compliance officer:**

Mr. Vivek manishbhai Moliya- Company secretary is the compliance officer of the company/

Investor Complaints	No. of Complaints
Pending at the beginning of the year	0
Received during the year	0
Disposed of during the year	0
Remaining unresolved at the end of the year	0

**(iv) Meetings and Attendance:**

During the financial year ended the 31st March, 2022, one meetings was held under provisions of Companies Act, 2013 on 8<sup>th</sup> February, 2022. The attendance at the above Meetings was as under:

Sr. No.	Name of Director	08/02/2022
01.	Mr. Sachin P. Ravani	✓
02.	Mrs. Darshna H. Thummar	✓
03.	Mr. Ramesh M. Patel	✓

**b. Complaints Committee for Sexual Harassment Complaints Redressal**

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

The other details with respect to committee composition are as follows

Sr. No.	Name of Director	Designation	Category
1	Mrs. Darshna H. Thummar	Chairman	Non-Executive Director
2	Mr. Hiteshkumar G. Thummar	Member	Managing Director
3	Mr. Bhavesh T. Barsiya	Member	Whole-time Director

During the year under review, there were no incidences of sexual harassment reported and therefore no committee meeting held during the year.

#### c. **Corporate Social Responsibility Committee:**

Pursuant to Section 135 of the Companies (Amendment) Act, 2017, every Company having Net worth of Rs. 500 Crore or more OR Turnover of Rs. 1000 Crore or more OR Net Profit of Rs. 5 Crore or more during the immediately preceding financial year shall constitute Corporate Social Responsibility (CSR).

In accordance with the provisions of the Companies Act, 2013, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure To be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time. The policy is available on the website of the Company; Details of the Corporate Social Responsibility is given under separate section as **Annexure-VII** and form part of this annual report.

#### **Broad Terms of Reference:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a),
- Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amend from time to time.

Sr. No.	Name of Director	Designation	Category
1	Mr. Hiteshkumar G. Thummar	Chairman	Managing Director
2	Mr. Bhavesh T. Barsiya	Member	Whole-time Director
3	Mr. Sachin P. Ravani	Member	Independent Director

#### **(v) Meetings and Attendance:**

During the financial year ended the 31<sup>st</sup> March, 2022, Two (2) meetings were held under provisions of Companies Act, 2013 on 09<sup>th</sup> September, 2021, 08<sup>th</sup> February, 2022.

The attendance at the above Meetings was as under:

Sr. No.	Name of Director	09/09/2021	08/02/2022
01.	Mr. Hiteshkumar G. Thummar	✓	✓
02.	Mr. Bhavesh T. Barsiya	✓	✓
03.	Mr. Sachin P. Ravani	✓	✓

#### **F. Risk management Committee:**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, composition of Risk management Committee shall be applicable to top 1000 listed entities, determined on the basis of market capitalization, as at the end of immediate previous financial year.

The company does not come under the purview of the above regulation and accordingly does not constitute committee.

#### **8. Independent Directors' Meeting:**

- Independent Directors of the Company met separately on February 08, 2022 without the presence of Non-Independent Directors and members of Management. In accordance with the Listing Regulations, read with Section 149 (8) and Regulation 25 of Listing Regulations, Schedule-IV of the Act, following matters were, inter alia, reviewed and discussed in the meeting:
  - Performance of Non-Independent Directors and the Board of Directors as a whole;
  - Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
  - Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Further, the Independent Directors have successfully included their names in the databank 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.

#### **9. Performance Evaluation Criteria of Independent Directors:**

Pursuant to Regulation 17 of the Listing Regulations, evaluation of Independent Directors was carried out by the entire Board. Only the Independent Director being evaluated did not

participate in the said evaluation discussion. All Independent Directors fulfills the independence criteria and are independent of management.

The Evaluation criteria for Independent Directors forms part of the Nomination and Remuneration Policy of the Company.

#### **10. Familiarisation Programme:**

Pursuant to the Code of Conduct for Independent Directors specified under the Act and the SEBI Listing Regulations, the Company has in place a familiarization programme for all its Independent Directors. Such familiarization programmes help the Independent Directors to understand the Company's strategy, business model, operations, markets, organization structure, risk management etc. and such other areas as may arise from time to time. The Familiarization Programmes imparted to Independent Directors of the Company has been disclosed on its website at [www.tirupatiforge.com](http://www.tirupatiforge.com).

#### **11. Remuneration of Directors:**

##### **(i) Details of Remuneration paid to the Directors for the financial year ended 31<sup>st</sup> March, 2022.**

<b>Name of Directors</b>	<b>Salary</b>	<b>Benefits</b>	<b>Commission</b>	<b>Bonuses</b>	<b>Stock Option</b>	<b>Sitting Fees</b>	<b>Total</b>
HITESHKUMAR G. THUMMAR	<b>18,00,000</b>	-	-	-	-	-	<b>18,00,000</b>
BHAVESHBHAI T. BARASIYA	<b>7,20,000</b>	-	-	-	-	-	<b>7,20,000</b>
DARSHNA H. THUMMAR	-	-	-	-	-	-	-
RAMESH M. PATEL	-	-	-	-	-	-	-
SACHIN P. RAVANI	-	-	-	-	-	-	-
ANAND M. SHRIVASTAVA	-	-	-	-	-	-	-

The Company has not paid any sitting fees for attending the meeting of the Board/Committees to the Non-Executive Directors including Independent Directors of the Company.

The appointment of Executive Directors, Key Managerial Personnel and other employees is by virtue of their employment with the Company therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

##### **ii) Criteria of making payments to Non-Executive/ Independent Director(s):**

The criteria of making payments to Non-Executive Director/Independent Director(s) is appearing on the website of the Company and the web link of the same is as under:

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

### **iii) Pecuniary Transactions:**

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.

### **17. General Body Meetings:**

The last three Annual General Meetings were held as per detail below:

<b>Date of AGM</b>	<b>Relevant Financial Year</b>	<b>Venue/Locations where held</b>	<b>Time of Meeting</b>	<b>Whether any special resolution was passed</b>
20 <sup>th</sup> September, 2019	2018-19	Registered Office	11 A.M.	Yes
26 <sup>th</sup> September, 2020	2019-20	Registered Office	04 P.M.	No
28 <sup>th</sup> September, 2021	2020-21	Registered Office	12 P.M.	No

### **18. Postal Ballot:**

No special resolution was passed through postal ballot during the financial year 2021-22. Further, no Resolution has been proposed to be conducted through postal ballot.

### **19. Means of Communication:**

#### **1. Quarterly Results:**

The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited standalone financial results for the complete financial year.

#### **2. Newspapers wherein results normally published:**

Normally, the quarterly and Annual Financial Results are published in Financial Express(Gujarati version) and The Indian Express (English version).

These results are displayed on the website of the Company. All other vital information is also placed on the website of the Company.

#### **3. Website, where displayed:**

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where these securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the StockExchanges are filed through NSE Electronic Application Processing System (NEAPS) and NSE Digital Portal. The stock exchange filings are also made available on the website of the Company at [www.tirupatiforge.com](http://www.tirupatiforge.com).

#### **4. Official news releases:**

The Company publishes an information of official news release, if any on the website of the Company.

#### **5. Presentations made to institutional investors or to the analysts:**

During the year under review, The Company has not meet with institutional investor or to the analyst.

#### **20. General Shareholders' Information:**

Annual General Meeting (AGM) Date, Time & Venue	<b>Friday, 30<sup>th</sup> September, 2022</b> at Registered Office situated at Plot No. 1-5; Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala 360311, Dist: Rajkot (Gujarat) India.
Financial Year	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
Date of Book Closure	Saturday, 24 <sup>th</sup> September, 2022 to Friday, 30 <sup>th</sup> September, 2022
Dividend payment date:	The Board has not Recommended any dividend for the year.
Listing of Shares on Stock Exchanges	<b>National Stock Exchange of India Limited</b> NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120
Payment of Listing Fees	Annual Listing fees as applicable have been duly paid.
Stock Code / ISIN	Code: TIRUPATIFL  ISIN: INE319Y01024
Whether S&P BSE 500 Index	No
in case the securities are suspended from trading, the directors report shall explain the reason thereof	N.A.
Share Transfer System:	SEBI had mandated that, effective from 1 <sup>st</sup> April 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was/were lodged prior to 1 <sup>st</sup> April 2019 and returned due to deficiency in

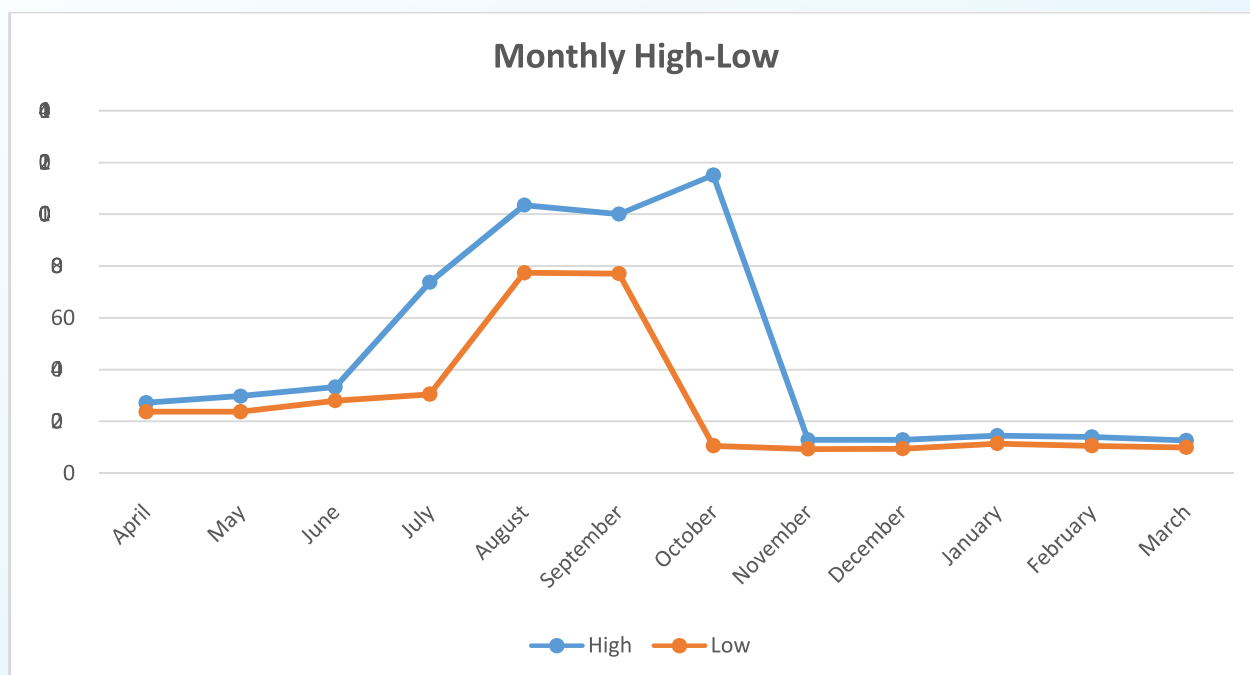
	<p>the documents.</p> <p>During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in practice, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and filed copy of the same with the Stock Exchanges.</p>
Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact onequity.	There are no such instruments issued up to 31 <sup>st</sup> March, 2022.
Credit Rating	Not Applicable

Plant Locations	Address for correspondence
Plot No. 1-5; Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala 360311, Dist: Rajkot (Gujarat) India.	Plot No. 1-5; Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Taluka: Kotda Sangani, Hadamtala 360311, Dist: Rajkot (Gujarat) India.

**(i) Market Price Data: Monthly High-Low values (in B) at NSE**

<u>Month</u>	<u>High</u>	<u>Low</u>
April	27.25	23.75
May	29.75	23.75
June	33.30	28.00
July	73.75	30.50
August	103.55	77.40
September	100.10	77.05
October	115.15	10.60
November	12.85	09.35
December	12.85	09.50

January	14.50	11.50
February	13.95	10.60
March	12.60	10.00

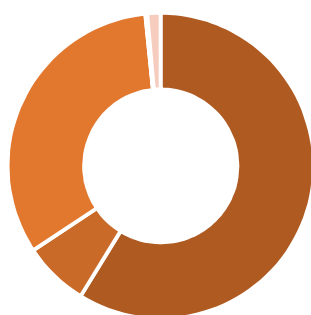


**i) Distribution of shareholding as on 31<sup>st</sup> March, 2022:**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1-500	7,017	74.5379	9,26,190	0.9451
501-1000	1,183	12.5664	10,04,185	1.0247
1001-2000	524	5.5662	8,01,645	0.8180
2001-3000	200	2.1245	5,18,221	0.5288
3001-4000	104	1.1047	3,76,354	0.3840
5001-10000	122	1.2959	9,58,896	0.9785
10001& Above	172	1.8271	9,29,84,578	94.8822
<b>Total</b>	<b>9,414</b>	<b>100.00</b>	<b>9,80,00,000</b>	<b>100.00</b>

**m) Category of Shareholders as on 31<sup>st</sup> March, 2022:**

Category	No. of shares held	% of Shareholding
Promoters and Promoter Group	5,76,08,957	58.7847
Bodies Corporate	67,69,825	6.9080
Individual	3,20,36,927	32.6907
Others:		
Clearing Members	51,150	0.0522
Non-Resident Individual	1,32,800	0.1355
Hindu Undivided Family (HUF)	14,00,341	1.4289
<b>Total</b>	<b>9,80,00,000</b>	<b>100.00</b>



- Promoters and Promoter Group
- Bodies Corporate
- Individual
- Clearing Members
- Non-Resident Individual
- Hindu Undivided Family [HUF]

**Performance In Comparison to broad-based indices NSE NIFTY:**



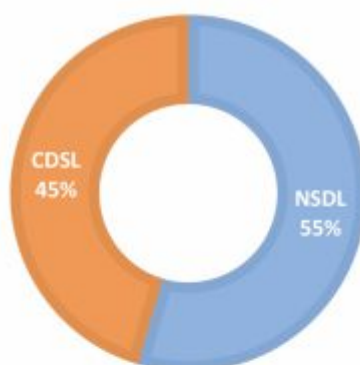
#### Dematerialization of shares and liquidity:

All the shares of the Company are in d-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of shares held in d-mat format is given below.

Particulars	As on 31 <sup>st</sup> March, 2022		As on 31 <sup>st</sup> March, 2021	
	Number of shares	Percentage	Number of shares	Percentage
NSDL	5,34,86,159	54.58 %	28,39,275	25.35 %
CDSL	4,45,13,841	45.42 %	83,60,725	74.65 %
<b>TOTAL</b>	<b>9,80,00,000</b>	<b>100.00 %</b>	<b>1,12,00,000</b>	<b>100.00 %</b>

#### % OF SHARES LYING WITH DEPOSITORIES AS ON 31.03.2022

■ NSDL ■ CDSL



#### \*REGISTRAR TO AN ISSUE AND TRANSFER AGENTS:

##### **Link Intime India Private Limited**

C-101, 247, Park, L. B. S. Marg, Vikhroli (West),  
Mumbai - 400083.

Tel No.: 022 - 49186270, Fax No.: 022 - 4918 6060

Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

## **Other Disclosures:**

### **i. Related Party Transactions:**

There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. The transactions with related parties are in the ordinary course of business and on arm's length basis. Suitable disclosure as required by the applicable Accounting Standards, has been made in the Annual Report.

### **ii. Statutory compliance, Penalties and Strictures:**

Fine has been imposed on the Company by the Stock Exchanges on issue of bonus share in F.Y.2019-20. The details of the same are as per below:

<b>Reg. of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</b>	<b>Due date of commencement of trading</b>	<b>No. of days of non-compliance</b>
295 (1)	19-Oct-2019	3

\*fine amount shall be Rs. 20,000 per day of non-compliance till the date of compliance.

<b>Particulars</b>	<b>Amount</b>
Fine payable (20,000 per day)	60,000
Tax (18% GST)	10,800
Total Fine Payable (including 18% GST)	70,800

### **iii. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **iv. Establishment of Vigil mechanism, Whistle Blower Policy and affirmation:**

The Whistle Blower Policy is available on the website of the Company at [https://www.tirupatiforge.com/file/Vigil%20Mechanism\\_Whistle%20Blower\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Vigil%20Mechanism_Whistle%20Blower_Tirupati.pdf). No person has been denied access to the Audit Committee for any grievance.

### **V. Web-link for policy on Material Subsidiaries:**

The Company has a policy for determining Material Subsidiaries and the same is available on the Company's website and a web link thereto is as under: <https://www.tirupatiforge.com/file/material-subsidiaries.pdf>

At present, the Company does not have any Subsidiary.

#### **6. Web-link for policy on Related Party Transaction:**

The policy on dealing with related party transactions is available on the website of the Company at [https://www.tirupatiforge.com/file/Related%20Party%20Transaction\\_Tirupati.pdf](https://www.tirupatiforge.com/file/Related%20Party%20Transaction_Tirupati.pdf)

#### **7. Commodity Price risks and hedging activities:**

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces. Any sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company. To meet the price fluctuations in the price of these commodities, company secures materials to meet around six months of its operational requirement.

#### **8. Details of Utilisation of fund raised through preferential allotment:**

The details of fund raised through 11,88,000 convertible warrants on Preferential basis to Non-promoters of the Company in financial year on April 08, 2019.

The Company has completed the process of allotting equity shares against total 11,88,000 convertible warrants issued on preferential basis as per terms and conditions approved by the members on 15th March, 2019. Utilization of the same as at 31.03.2022 is as mentioned below :

Purpose of the preferential issue	To be Utilized as per the objectives	Actual utilisation as per the objectives	Unutilisation amount as on 31st March, 2022
Long Term and Short Term Working Capital Requirement and to support future business expansions Plans	5,34,60,000/-	4,14,60,000/-	1,20,00,000/-

#### **9. A certificate from a company secretary in practice for Non-disqualification of board:**

A certificate from a company secretary in practice is attached hereinafter and part of this report.

#### **10. Details where the board had not accepted any recommendation of any committee of the board which is mandatorily required:**

During the financial year 2021-22, the Board of Directors have accepted all the recommendations of its committees.

#### **11. Total Fees paid for all services by statutory auditor:**

Total fee paid to Statutory Auditor for all services rendered is 1,25,000.

**12. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Sr. No.	Particulars	Figures
01.	number of complaints filed during the financial year	0
02.	number of complaints disposed of during the financial y	0
03.	number of complaints pending as on end of the financial year	0

**13. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

During the year under review, The Company has not adopted any discretionary requirements as specified in Part E of Schedule II.

**14. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.**

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**15. Transfer of Shares to Investor Education and Protection Fund (IEPF):**

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 ('the Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund (IEPF).

As of 31<sup>st</sup> March, 2022, the Company has not required to transfer of share to Investor Education and Protection Fund (IEPF).

**16. Disclosures with respect to demat suspense account/ unclaimed suspense account:**

During the year review, No shares of the company lying in the D-mat suspense account or unclaimed suspense account.

**17. The Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.**

18. The Chairman, Managing Director and Chief Financial Officer have certified to the Board, inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31<sup>st</sup> March, 2022. The Annual Certificate given by the Chairman, Managing Director and the Chief Financial Officer is published in this report.

**19. Disclosures Regarding Appointment/Re-Appointment of Directors in the ensuing Annual General Meeting:**

Re-appointment/Appointment of the following Directors are placed for Shareholders approval in the ensuing:

- Shri BHAVESHBHAI TULSIBHAI BARASIYA (DIN: 05332180), Whole time Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- Shri HITESHKUMAR G. THUMMAR (DIN: 02112952), Chairman & Managing Director of the Company, has been re-appointed by Board on 26<sup>th</sup> July, 2022 for term of 5 consecutive years subject to approval of Shareholders. The Board recommends his re-appointment as an Chairman & Managing Director of the Company for term of 5 (five) consecutive years with effect from 31<sup>st</sup> July 2022 till 30<sup>th</sup> July, 2027 (both days inclusive) for shareholder approval in the ensuing Annual General Meeting.
- SMT. JAGRUTI NITINKUMAR ERDA (DIN: 09680025) has been appointed as an Additional Independent Director by Board on 26<sup>th</sup> July, 2022 for first term of 5 consecutive years subject to approval of Shareholders. The Board recommends her appointment as an Independent Director of the Company for first term of 5 (five) consecutive years with effect from 26<sup>th</sup> July, 2022 till 25<sup>th</sup> July, 2027 (both days inclusive) for shareholder approval in the ensuing Annual General Meeting.

The requisite disclosures in respect of the above is given in notice of this report.

20. The Internal Auditor directly reports to the Audit Committee. The Internal Auditor makes presentations and reports to the Audit Committee of the Company on a quarterly basis pertaining to the key internal audit findings and the action plan agreed with the Management.

**For and on behalf of the Board of Directors,  
Tirupati Forge Limited**

**Hiteshkumar G. Thummar**  
Chairman, Managing Director  
DIN:02112952

**Date: August 30, 2022**  
**Place: Hadamtala(Rajkot)**



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

**Certificate of non-disqualification of directors (pursuant to regulation 34(3) and schedule v para c clause (10)(i) of the sebi (listing obligations and disclosure requirements) regulations, 2015**

To,  
The Members of  
**Tirupati Forge Limited**  
Plot No. 1-5; Survey No. 92/1, Near Shan Cement,  
Hadamtala Industrial Area, Tal: Kotda Sangani,  
Hadamtala - 360311 Dist: Rajkot, Gujarat (India)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tirupati Forge Limited having CIN: L27320GJ2012PLC071594 and having registered office at Plot No. 1-5; Survey No. 92/1, Near Shan Cement, Hadamtala Industrial Area, Tal: Kotda Sangani, Hadamtala - 360311 Dist: Rajkot, Gujarat (India) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1	Mr. Hiteshkumar G. Thummar	02112952	25/03/2017
2	Mr. Bhavesh T. Barasiya	05332180	17/08/2012
3	Mrs. Darshna H. Thummar	07869257	31/07/2017
4	Mr. Ramesh M. Patel	02738359	31/07/2017
5	Mr. Sachin P. Ravani	07874835	31/07/2017
6	Mr. Anand T. Shrivastava	08684010	14/02/2020

Ensuring the eligibility of every Director for the appointment/ continuity on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**PIYUSH JETHVA**

PRACTISING COMPANY SECRETARY

C.P. NO. 5452 FCS 6377

UDIN: F006377D000744611

Date: 04.08.2022

Place: Rajkot



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

**Corporate Governance Compliance Certificate as per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, (as amended)**

To,  
The Members of  
**Tirupati Forge Limited**  
Plot No. 1-5; Survey No. 92/1,  
Near Shan Cement, Hadamtala Industrial Area,  
Tal: Kotda Sangani, Hadamtala - 360311  
Dist: Rajkot, Gujarat (India)

We have examined all the relevant records of Tirupati Forge Limited having **CIN: L27320GJ2012PLC071594** ("Company") for the purpose of certifying compliance of the conditions as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations.

Sd/-  
**PIYUSH JETHVA**  
PRACTISING COMPANY SECRETARY  
C.P. NO. 5452 FCS 6377  
UDIN: F006377D000744631

Date: 04.08.2022  
Place: Rajkot

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 26(3) READ WITH SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

Pursuant to Regulation 26(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2022.

**For, Tirupati Forge Limited**

**Hiteshkumar G. Thummar**  
**Managing director**  
**DIN: 02112952**

**Date: August 30, 2022**  
**Place: Hadamtala (Rajkot)**

## **CEO/CFO CERTIFICATION**

To,  
The Board of Directors,  
**TIRUPATI FORGE LIMITED**

**Sub: Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

**For, TIRUPATI FORGE LIMITED**

**For, TIRUPATI FORGE LIMITED**

**Atul L. Natu**  
**Chief Financial Officer**

**Hiteshkumar G. Thummar**  
**Managing Director**

**Hadamtala (Rajkot)**  
**August 30, 2022**

**Hadamtala (Rajkot)**  
**August 30, 2022**

# DISCLOSURES PRELATE RENEWAL

### Annexure-III

#### **DISCLOSURES PERTAINING TO REMUNERATION**

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

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

Sr. No.	Name of Person	Designation	Ratio to median remuneration of the employees	% increase in remuneration
01	Mr.HiteshkumarThummar	Managing Director	15.13:1	20%
02	Mr. BhaveshBarasiya	Whole Time Director	6.05:1	20%
04	Mr. Vivek M. Moliya	Company Secretary and Compliance Officer	2.61:1	11.99%
05	Mr. AtulNatu	Chief Financial Officer	7.08:1	21.21%

#### **Notes:**

- Calculation of Median employee was based on actual salary paid to all employees. The Employees who left company in between financial year and the employees joined company in between financial year is actually considered.
  - The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions however no sitting fees is paid to them for the financial year 2021-22.
  - Non-Executive Directors do not receive any sitting fees or commissions.
2. The percentage increase in the median remuneration of employees in the financial year:  
41.70%
  3. The number of permanent employees on the rolls of the Company as on 31March 2022:  
90(Ninety)

4. Average Percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:

There is 41.47% increase in the salaries of the employees other than Managerial Personnel. Moreover, there was increase in the remuneration of MD, WTD, CFO of the Company, which is as justifiable to the average increase in the other employees of the Company.

5. Affirmation that the remuneration is as per Remuneration Policy of the Company:

The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

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

**Hiteshkumar G. Thummar**  
**Chairman & Managing Director**  
**(DIN: 02112952)**

**Date: August 30, 2022**  
**Place: Hadamtala (Rajkot)**



## Annexure IV

### Form No. AOC-2 of Tirupati Forge Limited for the year ended on March 31, 2022

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

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

(a)	Name(s) of the related party and nature of relationship	<b>DURING THE REPORTING PERIOD F.Y. 2021-22, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.</b>
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Sr. No.	Name of Related Party	Nature of Relationship	Duration of Contract	Nature of Transaction	Amount	Approval by Board
1	Mr. Hitesh Thummar	Managing Director	20 Years	Lease Rent	60,000 p.a.	July 09, 2018

**Note:** During the Reporting Period, There Was No Material\* Contract or Arrangement.

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

By and on behalf  
TIRUPATI FORGE LIMITED

Hiteshkumar G. Thummar  
Chairman & Managing Director  
(DIN: 02112952)

Date: August 30, 2022  
Place: Hadamtala (Rajkot)

To  
The Members,  
**TIRUPATI FORGE LIMITED**

**Subject: Justification for Related Party Transactions held during the Financial Year 2021-22**

**1. For Taking Property on Lease:**

The Company has entered in the contract with Mr.Hiteshkumar G.Thummar to take his land on lease in the financial year 2018-19 for 20 years. The transaction was approved by the Board of Director on 9<sup>th</sup> July 2018 as well as by Share Holder in its Annual General Meeting held for year ended on 31<sup>st</sup> March 2018. This transaction is also on arm's length basis.

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

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

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

**Hiteshkumar G. Thummar**  
**Chairman& Managing Director**  
**(DIN: 02112952)**

**Date: August 30, 2022**  
**Place: Hadamtala (Rajkot)**

# SECRETARIAL AUDIT REPORT



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Form No. MR-3

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TIRUPATI FORGE LIMITED (CIN: L27320GJ2012PLC071594)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on **31st March, 2022** ('Audit Period'), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021. **Not Applicable to the Company during the Audit period;**
- e. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. The Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instrument and security Receipt) Regulations, 2008 - **Not Applicable to the Company during the Audit period;**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **Not Applicable to the Company during the Audit period;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company during Audit period.**

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

- a. The Trade Mark Act, 1999
- b. Bureau of Indian Standard (BIS) Act, 1986
- c. Labour Laws and other incidental laws related to labor and employees appointed by the Company either on its payroll or on contractual basis as related to wages, provident fund, ESIC, compensation etc.

Based on the representation made by the Company and its officers, during the period under review the Company has proper system and process in place for compliance under provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above;

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

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited. (SME Platform)



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards subject to following observation;

- *That the company has not filed /filed some Form late in time with additional fees to Registrar of Companies/Regional Director/Central Government under The Companies Act, 2013. The Management clarified that it is a procedural lapse only.*

Further it is clarified that;

- *The Chairman The chairman of Audit Committee was not present at the Annual General Meeting due to unavoidable circumstance, however prior intimation is provided to the company for the same*

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, if any, under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or lesser days as agreed by all directors pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, after due compliance with the SS 1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting
- Minutes of the meeting is duly recorded and signed by the Chairman, Decision of Board is unanimous and no dissenting views have been recorded.

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

- The Company has made the sub-division of Equity Shares from the face value of Rs. 10/- each to Face value of Rs. 2/- Only
- The company has altered the Capital clause of the Memorandum of Association
- The Company has issue the bonus shares in the ration of 3 : 4, i.e. three Equity Shares for every four existing Shares held by the Member.



# CS PIYUSH JETHVA

(Practising Company Secretary)

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806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

This report is to be read with letter dated 30<sup>th</sup> July 2022 which is annexed as “**Annexure-A**” and forms an integral part of this report.

Date : 30<sup>th</sup> July 2022  
Place: Rajkot

CS PIYUSH JETHVA  
Practicing Company secretary

FCS:6377, CP: 5452  
UDIN : F006377D000712821  
Peer Review Certificate No: 1333/2021



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

## ANNEXURE –A

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

Secretarial Audit Report dated 30<sup>th</sup> July 2022 is to be read along with this letter.

1. The Company's Management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliance with the provision of applicable laws and regulations. Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances by inspecting the records, documents return etc. on random basis.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis and in random manner to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of secretarial record, financial records and Books of Accounts of the company.
4. As it is not possible to verify all the information for certification, we rely on certificate issued by other professional and management of the Company. Further where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**CS PIYUSH JETHVA**  
Practising Company secretary

**Date : 30<sup>th</sup> July 2022**  
**Place: Rajkot**

**FCS: 6377, CP: 5452**  
**UDIN : F006377D000712821**  
**Peer Review Certificate No: 1333/2021**



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

**Secretarial compliance report of  
TIRUPATI FORGE LIMITED  
For the year ended 31<sup>st</sup> March 2022**

I have examined:

- (a) All the documents and records made available to us and explanation provided by TIRUPATI FORGE LIMITED ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> MARCH 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (there were no events requiring compliance during the Review Period).
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (there were no events requiring compliance during the Review Period).
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (there were no events requiring compliance during the Review Period).
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (there were no events requiring compliance during the Review Period).
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines issued thereunder;



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

And based on the above examination and subject to clarification provided in "**Annexure-A**" which should be forming part of this report, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
01	Regulation 32 of the SEBI (LODR) Regulation, 2015.	The Statement of deviation of fund for first quarter was not filed	It is clarified that there is no deviation of the fund for the reporting period.
02	Regulation 18 (d) of the SEBI (LODR) Regulation, 2015.	The chairman of Audit Committee was not present at the Annual General Meeting	It is clarified that the Chairman of the Audit Committee informed the Company about his inability to attend the Annual General Meeting

**Note:** In one case the Share Holder has submitted late intimation for change in shareholding under regulation 29(2) of the SEBI (SAST) Regulation 2011 to the Company. However the Company has submitted declaration within specified time limit after receipt of declaration from shareholder.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) There were no actions taken against the Listed Entity/ Its Promoters / Directors / Material Subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars./ Guidelines issued thereunder in so far as it appears from declaration provided by management and my examination of those records.
- (d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period.

Date: 26/05/2022

Place: Rajkot

CS PIYUSH JETHVA  
Practising Company Secretary  
FCS 6377, CP NO. 5452  
UDIN: F006377D000399924  
Peer Review Certificate Number: 1333/2021



# CS PIYUSH JETHVA

(Practising Company Secretary)

806- The Imperia, Opp: ShashtriMaidan, Above Federal Bank, Limda Chowk, Rajkot 360001 (Gujarat) India

## ANNEXURE –A

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

Secretarial Compliance Report dated 26<sup>th</sup> May 2022 is to be read along with this clarification.

1. The Company's Management is responsible for preparation and maintenance of all records and for devising proper systems to ensure compliance with the provision of applicable laws and regulations. Our responsibility is to express an opinion on the records, standards and procedures followed by the Company with respect to compliances by inspecting the records, documents return etc. on **random basis** and check in general whether the compliance of the applicable law/ rules/ regulation are followed by the company in proper manner.
2. We conducted our examination of the statement/ records in accordance with the applicable guidance's issued by the Institute of Company Secretaries of India (the "ICSI"). The guidance's requires that we comply with the ethical requirements of the Code of Conduct issued by ICSI.
3. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc. and on base of that clarification /representation / information, we provide this report.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination is limited to the verification of procedures on **test basis**.

**Date: 26/05/2022**

**Place: Rajkot**

**CS PIYUSH JETHVA**  
**Practising Company Secretary**  
**FCS 6377, CP NO. 5452**  
**UDIN: F006377D000399924**  
**Peer Review Certificate Number: 1333/2021**

# MANAGEMENT DISCUSSION & ANALYSIS REPORT 2021-22

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERVIEW**

Tirupati Forge Limited (hereinafter referred to as 'TFL', 'the Company', 'We', 'Our') is one of India's one of the rapid growing companies across all forging based industry. We provide a wide range of customized Forging of Gears, forged and machine flanges, fittings, parts of automobiles, etc. Our strength lies in our wide bouquet of offerings enabled by our extensive network which brings major revenue from international market. We have developed world class technology systems to provide innovative solutions to improve transparency and visibility for our clients.

### **GLOBAL ECONOMY:**

It has been more than two years since the pandemic began, however, 2021 was one of the better years for the economy as the world in unison declared an all-out war on the invisible enemy – the Covid-19 pandemic. The global economy recovered to a certain extent in 2021. However, the momentum was suddenly halted in Q2 by a deadlier variant of the virus, the impact of which was fortunately short lived. The subsequent recovery was supported by vaccination drives being conducted by governments worldwide, despite repeated attacks of virus mutants in several countries of the world.

Despite the huge loss in lives and livelihoods across the world, the economy progressed at a healthy uptick. According to the World Economic Outlook (WEO) update, the world economic output grew by 6.1% in 2021, after declining by 3.1% in 2020. China and India remained the biggest contributor amongst the developing economies with an estimated growth of 8.1% and 8.9% respectively during the year. The United States is estimated to clock a GDP growth of 5.7% in CY 2021 compared to a contraction of 3.4% in 2020. Its recovery was driven by an annual increase in private consumer expenditure of 7.9%.

Global trade reached a record high of US\$28.5 trillion in 2021, a jump of 25% over the previous year. Trade in services also increased by US\$50 billion to reach US\$1.6 trillion, just above Pre-pandemic levels. However, the prospects of an expected global economic recovery have dramatically worsened since the onset of the Russia-Ukraine war which will have global repercussions. Russia supplies around 10% of the world's energy, including 17% of its natural gas and 12% of its oil. The jump in oil and gas prices will add to industry costs and reduce consumer real incomes. Global economy is expected to grow at 3.6% in 2022 (as against 4.4% earlier), reflecting continued covid resurgence, reduced monetary support, ongoing logistics bottlenecks, inflation and geopolitical turmoil. While the growth rate for 2023 has been projected at 3.6% (as against 3.8% earlier).

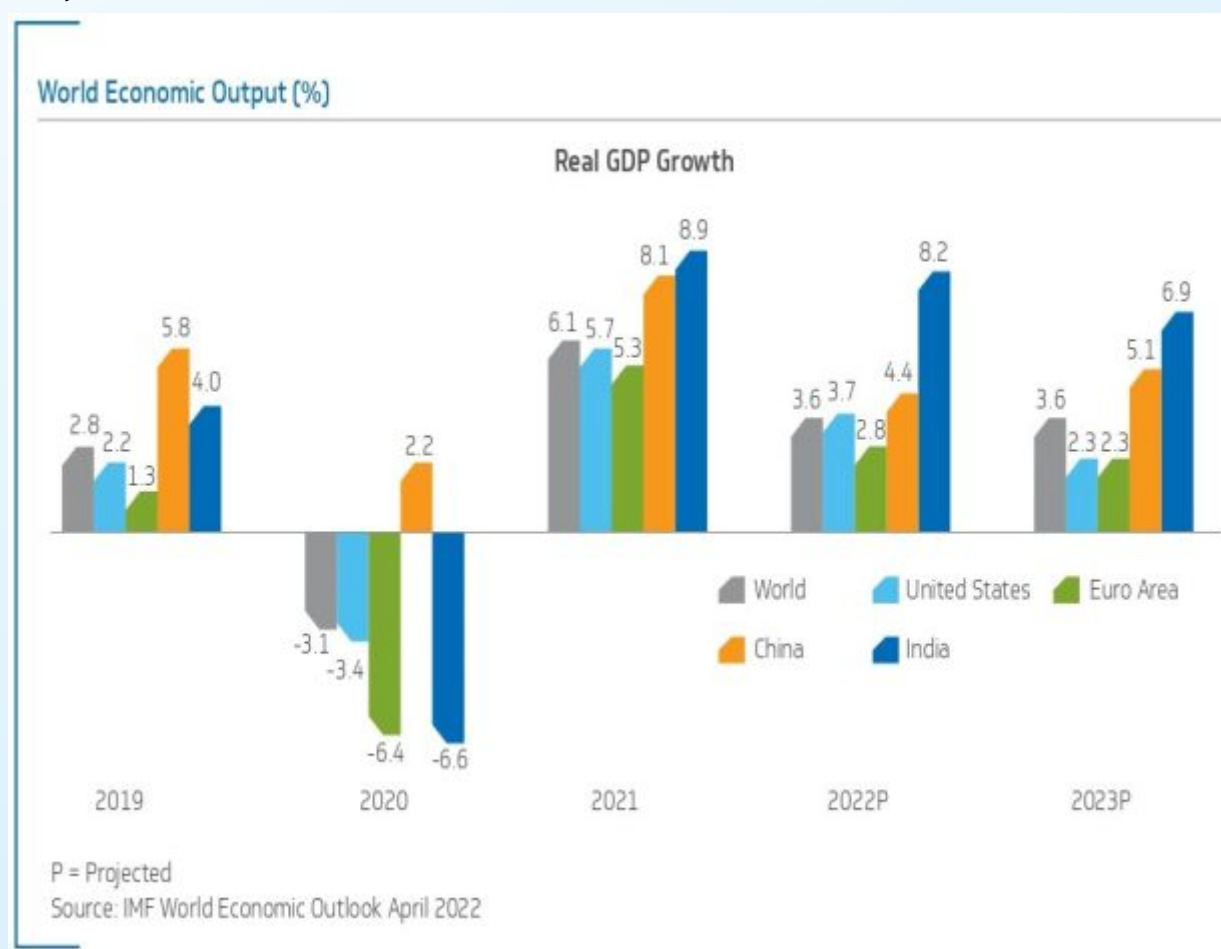
In addition to the war, frequent and severe lockdowns in China including in key manufacturing hubs could lead to new bottlenecks in global supply chains. Higher

commodity cost inflation and persistent price pressures could also lead to a tightening of monetary policy in many countries.

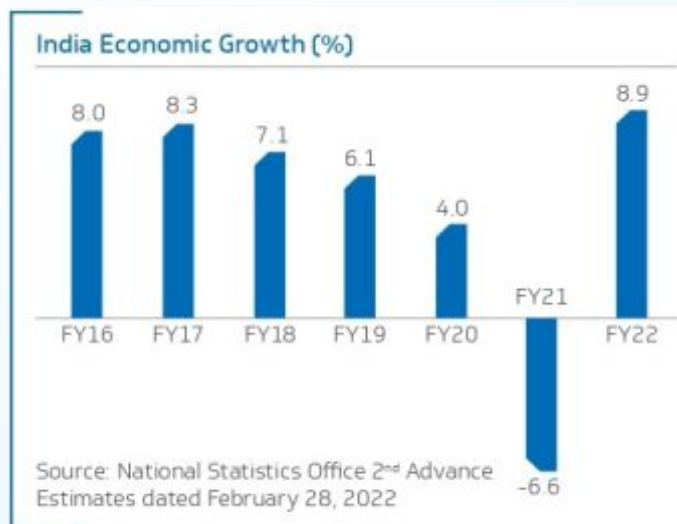
#### **World Economic Outlook Growth Projections:**

	<b>Actuals</b>		<b>Estimate</b>	<b>Projections</b>	
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023*</b>
World output	2.8	-3.1	6.1	3.6	3.3
Advanced Economies	1.7	-4.5	5.2	3.3	2.4
Emerging Markets and Developing Economies	3.7	-2.0	6.8	3.8	4.4
India	4.0	-6.6	8.9	8.2	6.9
United States	2.2	-3.4	5.7	3.7	2.3
China	5.8	2.2	8.1	4.4	5.1

\*Projection Source: IMF, World Economic outlook



## Indian Economy:



In India, FY22 began with the second wave of COVID-19 leading to limited lockdowns and restricted mobility. The Government of India's response was to build back short-medium term demand through significant increase in capital expenditure on infrastructure. Supply-side measures were implemented to prepare the economy for a sustained, long-term expansion. India's GDP grew by 5.4% in Q3 FY2021-22 as against 8.5%

growth in the previous quarter. The RBI slashed the FY2022-23 GDP forecast to 7.2% (from 7.8% earlier) in its April 2022 Monetary Policy Committee meeting, citing the impact of escalating geopolitical tension on the economic outlook. The central bank also raised its FY2022-23 retail inflation estimate to 5.7% from 4.5% earlier.

RBI is expected to hike interest rates in order to control inflation and continue with its accommodative stance to ensure gradual economic recovery. There is a high probability of the country's fiscal deficit breaching the target level which was earlier pegged at 6.4% of GDP for FY2022-23.

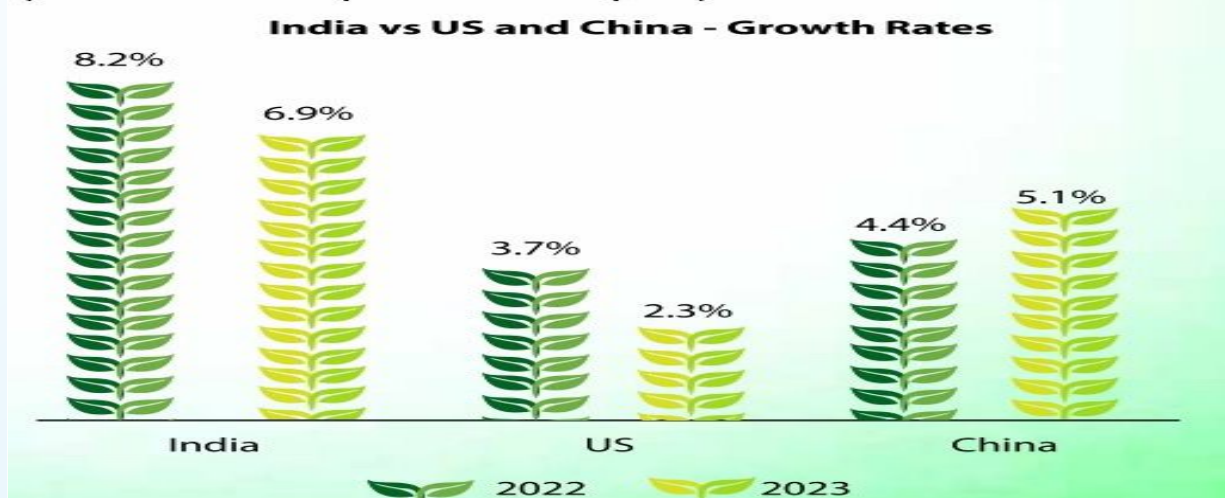
The Indian GDP grew during FY 2021-22 at 8.7% compared to a contraction of 6.6% in FY 2020-21 as per the Press Note dated May 31, 2022 of the National Statistical Office of the Government of India. The government's strong emphasis on domestic manufacturing through the mission of Aatmanirbhar Bharat and the infrastructure push through a massive 35% higher Capex outlay, announced in the FY23 Union Budget, are expected to drive economic growth in the near to medium term. There has been a significant rise in consumer optimism on the back of improved sentiments of the general economic situation. According to 'The Economist' - May 14, 2022 edition, India is expected to be the fastest growing big economy in the world.

Over the course of the year, India vaccinated ~60% of the eligible population with both doses and ~70% of eligible population with one dose. With the vaccination programme having covered a bulk of the population, building back of economic momentum, and the likely benefits of long-term reforms in the pipeline, the Indian economy is poised to grow at around 8.2% in FY23 as per the latest IMF report.

## Outlook

With the Russia-Ukraine crisis pushing up overall costs of production, including the cost of raw material, transportation and packaging material, Inflation continues to be the biggest concern as we enter the 2022-23 fiscal. As per IMF GDP growth in India is expected to grow by 8.2% in 2022 and 6.9% in 2023. The increasing government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry.

**Fig 3: India GDP Growth Rate vs US and China**  
(source: IMF April 2022 Report)



## A. INDUSTRY STRUCTURE AND PERFORMANCE

### Global Automobile Industry:

The global automotive industry saw steady recovery in CY 2021 post a few years of challenging period as the industry went through significant shift towards emerging trends like EVs and the impact of pandemic. The CY 2021 ended with the car sales increasing from 68.6 million in 2020 to 71.3 million led by North America and Asian regions which gained some ground post the pandemic. Europe markets though were weak and saw new car registration declining.

In the coming years, the global automotive industry remains on a strong footing with fundamentals such as strong order backlog and low cancellation rates. If we look at globally, car sales are projected to decline by 5% to 67.6 million in CY 2022 and that in Europe by 10.1%. Over the medium-term, the car sales are likely to grow gradually with sales improving to 70.8 million units in CY 2023, 73.4 million in CY 2024 and 75.4 million in CY 2025. The US and European commercial vehicles market though slower continues to be fairly robust for the next two years with healthy order backlogs. Most of the OEMs have slots booked for the next 12 to 15 months. Though truckmakers may face challenge of delivering due to supply chain issues. For CY 2022, the US class 8 truck sales

are estimated at 244,500 units. (Source: Germany's Center for Automotive Research; Economist Intelligence EU; FTR Transport Intelligence; ACEA)

### Indian Automobile Industry:

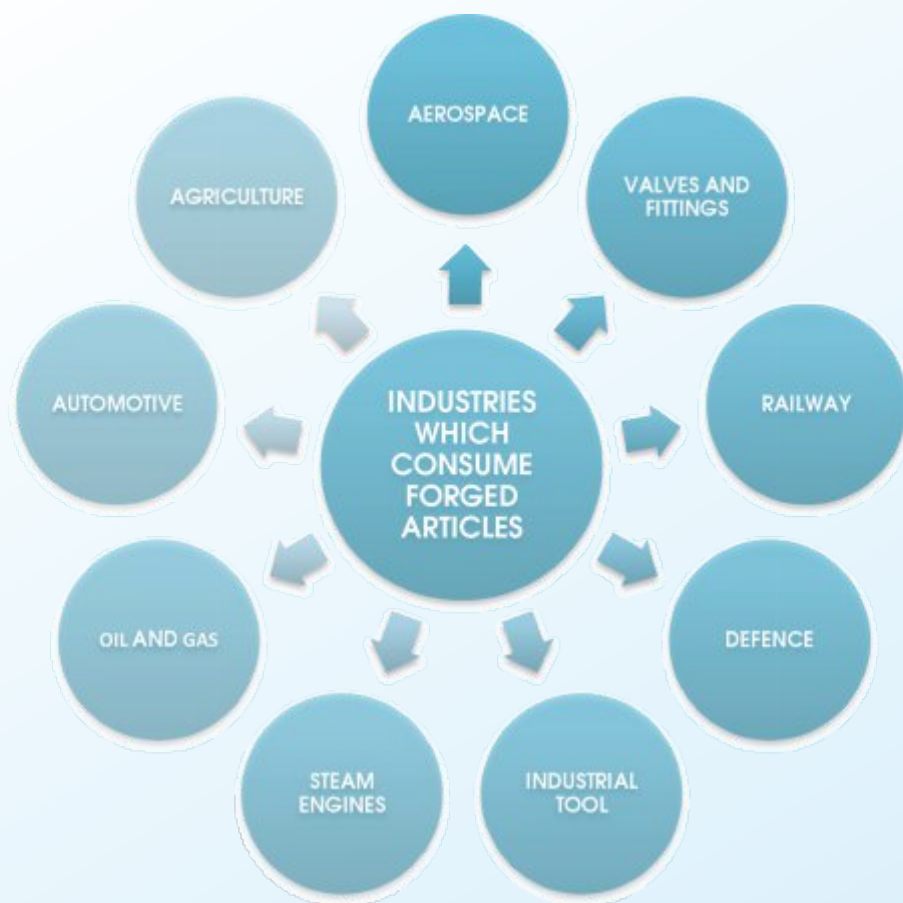
The Indian automotive industry is the pillar of the manufacturing sector and provides employment to a large pool of people. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering.

In FY 2022, the performance of the automotive industry in India was commendable despite the challenges of supply chain issues, increased cost of ownership due to regulatory issues and high input cost inflation. The total automobile production increased marginally from 22.66 million units in FY 2021 to 22.93 million units in FY 2022. The past few years have been quite challenging for the Indian automotive industry across segments caused by various factors, be it changes in safety norms, increased cost of ownership due to regulatory changes, technological shift from ICE to EV especially in 2&3W etc.

F.Y. 2021-22 was a good year for the Company's automotive export business. It registered a broad-based growth with revenues growing across various countries which covered notable geographical area in the world.

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





## B. COMPANY PERFORMANCE AND BUSINESS OUTLOOK

The Company's manufacturing presence in the overseas market has been a footprint close to its customers. The Company is engaged with the production of forging products only. However for convenience of existing client the company is doing trading of casting product but never engaged in casting procedure. The Company won new orders include a healthy mix of existing and new customers as well as traditional and new products. Over the past few months, the Company has undertaken series of measures to turn around the financial performance on positive note.

## C. RISK AND CONCERN

The Company operates in a business which is marked by cyclicality and is presently undergoing significant transformations and is very sensitive to policy changes. It is imperative to identify risks and take adequate mitigation measures. The risks may be internal as well as external in nature. The Company's Risk Management framework focuses on ensuring that risks are identified and reasonably addressed on a timely basis and Risk Management process adapts to the changing business requirement.

<b><u>SR. NO.</u></b>	<b><u>PARTICULARS</u></b>	<b><u>POSSIBLE RISK</u></b>	<b><u>MITIGATION STRATEGY</u></b>
01.	<u>Industry Risk</u>	A global economic slowdown or continent-specific shocks may disrupt these markets and adversely affect the Company's revenue generation capability.	The Company look to find diversification of business into multiple industries such as Automotive, Defence, Oil and Gas, Mining and Construction, Power, Aerospace, E-mobility, etc. has enabled the Company to de-risk its business model. In addition, the Company has also diversified geographically with a global presence across 5 countries. The Company continues to evaluate and trying to add newer geographies and newer customers to its portfolio. With a diverse global presence, the impact of country-specific shocks will be minimal.
02.	<u>Foreign Exchange Risk</u>	The Company's Significant portion is generated from export. Any adverse or unfavorable movement in the exchangerates may adversely impact its profitability.	The Company practices various contracts to cover risk of exchange rate fluctuations.
03.	<u>Raw Material Risk</u>	Unavailability of critical raw materials such as steel, aluminum, energy, etc. at competitive rates may interrupt Tirupati Forge's operations and adversely impact margins and profitability.	Steel is the most crucial raw material for the Company, the availability of which is met through a various clients, thus ensuring continued supply at competitive prices.
04.	<u>Technology Risk</u>	The Company operates in a highly competitive, regulated, and cyclical industry. The entire automobile industry is the midst of a technology transformation. the Company needs to drive more automation, efficiency and innovation led by technology to	The Company is embracing the transformative changes shaping the automotive industry and is proactively developing new growth engines. Investment in newer and best-in-class technologies will enable the Company to adapt to future changes and cater to emerging demands, thereby building capabilities to be future-ready.

		remain a preferred partner. Failure to stay abreast with the evolving technological developments may damage the Company's global competitive position.	
05.	Funding Risk	The Company's operations entail sustained investments in Capacity, technology, and extensive R&D. The need for such funds is even more critical in the present uncertain high risk operating context with possibility of scale-up of war, high inflation and supply chain issues to remain prepared for any exigencies. Unavailability of external sources of funds at competitive rates and at the right time may impact its business plans and profitability.	With its efficient utilization of working capital and prudent capital allocation capabilities, the Company has maintained good cash and equivalent position on the books. The Company also maintains sharp focus on reducing its fixed costs.
06.	Talent Risk	Talented pool of employees and its retention are paramount for the Company's sustainable growth. Failure to retain skilled teams and high attrition levels may affect the day-to-day functioning of the Company and adversely affect its business operations.	The Company has people-centric policies and promotes across all the hierarchies. The robust HR policy of the Company ensures maintaining a conducive work environment and minimal attrition rates. Further, the Company encourages new talent acquisition and rewards Excellent employee performance.
7.	COVID-19 Risk	The Pandemic situation has resulted in travel restrictions, lockdowns and need for social distancing. This has resulted in negative sentiments and operational challenges of supply disruption, labour availability and demand	The Company continues to monitor these developments closely and keep exploring alternative strategies including use of digital medium and a hybrid approach of work from home and presence of staff required to minimize its impact on the business.

		fluctuations. These can disrupt supply chain and manufacturing processes and adversely impact business.	
8.	AD/CVD DUTY RISK	The Company is exporting Carbon Steel Forged Flanges to USA under Importer of Records. So any future custom duties of AD/CVD will increase then company has to pay this.	He Company is trying to get maximum profit in flange business so any future duty will come then company can not suffer loss.

#### **D. INTERNAL CONTROL SYSTEMS**

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

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

#### **E. HUMAN RESOURCES**

With COVID-19 pandemic continuing into FY 2022, life has been upended completely by the global pandemic. Ensuring business operations, employee safety and welfare became the foremost concerns for Tirupati Forge. We give high priority to our employees' health and safety, and one of the most effective ways to ensure this is to establish a safety culture in which safety is the responsibility of each and every employee. We have a dedicated safety resource responsible for managing with

promoting safety among all employees and implements different awareness and training programmes.

### **Initiatives for Safety and Welfare:**

#### **1. Safe Environment at Workplace:**

Tirupati Forge Limited followed a strict 'no visitor' policy keeping in mind the social distancing norms. Physical meetings or visitors in exceptional cases were allowed only with a proper precautions. For the safety of employees, temperature screening and masks at each entry point of factories and offices was installed. To maintain safe hygiene levels, employee transport vehicles, shop floor were disinfected multiple times in a shift.

#### **2. Support System:**

Tirupati Forge Limited has always been known for having a culture of a big extended family and strong support system. During these challenging times, this support was needed the most. TFL's teams ensured twice a week personal connect with all employees suffering from coronavirus, whether they were isolating at home or were hospitalized.

#### **3. Vaccination:**

Employees have always been the Company's first priority and it is important to create a safe and secured ecosystem for them to thrive in. In present time, majority employee of the company were vaccinated with both dose of vaccine.

#### **4. COVID Training and Re-Grouping:**

Tirupati Forge Limited HR and support staff has been extremely efficient in ensuring all the policy initiatives and employee reach. It was also important to train the security staff regarding COVID-19 and the security procedures to be followed. While the pandemic has altered the work-life conditions, it has not affected TFL's spirit. It is committed to come out of this pandemic, while ensuring safety and wellbeing of employees.

### **F. STRENGTHS, OPPORTUNITIES, WEAKNESS AND THREATS ANALYSIS**

#### **1. Strengths:**

- Quality of products
- Products are used by automobile industry, refineries, oil pipelines, etc.

- Experienced Promoters

## **2. Opportunities:**

- Under utilization of capacity
- Undertaking Government Contracts

## **3. Weakness:**

- Input Price Volatility
- Government Policies

## **4. Threats:**

- Dependent on few customers
- Forex risk
- Volatility in raw material price - Mild Steel, Alloy Steel, Carbon Steel Stainless Steel, etc

## KEY FINANCIAL RATIO

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

2021-22			2020-21		
Sr. No.	Ratio Name	Ratio	Sr. No.	Ratio Name	Ratio
1	Debtors Turnover	66.73	1	Debtors Turnover	54.47
2	Inventory Turnover	6.84	2	Inventory Turnover	3.78
3	Interest Coverage Ratio	11.3	3	Interest Coverage Ratio	7.4
4	Current Ratio	1.67	4	Current Ratio	1.83
5	Debt Equity Ratio	0.41	5	Debt Equity Ratio	0.37
6	Operating Profit Margin	10.41%	6	Operating Profit Margin	8.86%
7	Net Profit Margin	7.05%	7	Net Profit Margin	1.28%
8	Return on Net worth	26.16%	8	Return on Net worth	2.00%

### Explanation:

- The significant change in the above mentioned ratios is due to change in profit and sales of The Company.
- During the year there were so many factors affected the profitability of the company.
- Inventory turnoverImprovement is due to increase in revenue from operations which is nearly 3 times and there is increase in production during the current financial year
- Interest Coverage ratioMovement is attributable to increase in revenue from operations with increase in operating margin and further there is less interest subsidy

received compared to last Financial Year.Hence, the ratio of Interest coverage ratio increased in this financial year.

- Net Profit margin and Return on Net worth ratio improved as per the following reasons:
  - Improvement in this ratio is attributable to substantial increase in revenue from operations with increasing operating margin.
  - There is change in Sales mix of products sold with higher margin products sold during the financial year as compared to last financial year.
  - There is favorable price variance for products sold and export turnover is also increased by 3.27 times which lead to improvement in ratio drastically.
  - Fixed cost remains stable as compared to last financial year.
  - There is increase in foreign currency fluctuation gain by 8.37 times.

**For and on behalf of the Board of  
Tirupati Forge Limited**

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

**Date: August 30, 2022  
Place: Hadamtala(Rajkot)**

# CSR REPORT 2021-22

## Annexure –VII

### **ANNUAL REPORT ON CSR PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

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.

Our vision is to drive 'holistic empowerment' of the community through implementation of sustainable initiative, which will have maximum societal impact by identifying the critical needs and gaps.

We shall remain committed to the following operating principles –

- i. Conducting business in a socially responsible and ethical manner;
- ii. Protecting the environment and the safety of people;
- iii. Supporting human rights; and
- iv. Engaging, learning from, respecting and supporting the local communities and cultures with which we work.

The Board of Directors of your Company had approved the CSR Policy in accordance with the provisions of section 135 of the Companies and it shall apply to all CSR projects/programmes/activities undertaken by the Company as per Schedule VII of the Act.

2. Composition of the CSR Committee is as under:

Sr. No.	Name of Director	Designation	Category	Attendance in CSR Committee Meetings	
				09/09/2021	08/02/2022
1	Mr. Hiteshkumar G. Thummar	Chairman	Managing Director	✓	✓
2	Mr. Bhavesh T. Barsiya	Member	Whole-time Director	✓	✓
3	Mr. Sachin P. Ravani	Member	Independent Director	✓	✓

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee - [https://www.tirupatiforge.com/file/Corporate%20Social%20Responsibility%20Policy\\_Tirupati%20Forge%20Limited.pdf](https://www.tirupatiforge.com/file/Corporate%20Social%20Responsibility%20Policy_Tirupati%20Forge%20Limited.pdf)

CSR Policy-<https://www.tirupatiforge.com/file/Composition%20of%20CSR%20Committee.pdf>

CSR projects approved by the board- <https://www.tirupatiforge.com/file/Composition%20of%20CSR%20Committee.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable for financial year 2021-22.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rupees)	Amount required to be set off for the financial year, if any (in Rupees)
1.	2020-21	75,999.37	75,999.37

**6. Average Net Profit of the company for last 3 financial years:**

The average net profit of the three financial years preceding the reporting financial year (i.e. 2020-21, 2019-20, 2018-19) calculated in accordance with Section 135 of the Companies Act, 2013 is **Rs. 2,26,41,906/-**

**7. Prescribed CSR expenditure:**

(a)	Two percent of average net profit of the company as per section 135(5)	4,52,838/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(c)	Amount required to be set off for the financial year, if any	75,999.37
(d)	Total CSR obligation for the financial year (7a+7b-7c)	3,76,838.63/-

**8. (a) Details of CSR spent or unspent for the financial year 2021-22:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,83,571/-	--	--	--	--	--

**(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22:**

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount Allocated for the project (in Rs.)	Amount spent in current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per section 135 (6) (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency		
				State	District						Name	CSR Registration Number	
Not Applicable													

**(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22:**

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Allocated for the project (in Rs.)	Amount spent in current financial year (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District				Name	CSR Registration Number
1.	Preventive Health Care Activities	(i)	Yes	Gujarat	Rajkot	3,23,000	3,23,834	No	Sadjyot Charitable Trust	CSR00015143
2.	Eradication of hunger	(i)	Yes	Gujarat	Rajkot	79,000	1,08,737	Yes	--	--
3.	Eradication of hunger	(i)	Yes	Gujarat	Rajkot	51,000	51,000	No	Shri Khodaldham TrustKagvad	CSR00015035

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: 4,83,571/-

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount
1.	Two percent of average net profit of the company as per section 135(5)	4,52,838/-
2.	Total amount spent for the Financial Year	5,59,570.37/-
3.	Excess amount spent for the financial year ((ii)-(i))	1,06,732.37/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years ((iii)-(iv))	1,06,732.37/-

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	-	-	-	-	-	-
2.	2019-20	-	-	-	-	-	-
3.	2018-19	-	-	-	-	-	-

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

**11. 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 Company has spent more than what is prescribed under the CSR regulation. Hence, not applicable for F.Y. 2021-22.

**12. CSR Committee Responsibility Statement:**

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

**For and on behalf of the Board of  
Tirupati Forge Limited**

**Date: August 30, 2022  
Place: Hadamtala(Rajkot)**

**Hiteshkumar G. Thummar  
Chairman CSR Committee**

# THEY'RE DEPENDENT ON IT FOR ADDITIONAL RESEARCH



*Maharishi & Co.*

Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar 361 001 Gujarat, India

Tel : +91 - 288 - 2665023 - 2665024

e-mail : info@jainandmaharishi.com

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the audit of Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **TIRUPATI FORGE LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

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 Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



## Maharishi & Co.

Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar 361 001 Gujarat, India

Tel : +91 - 288 - 2665023 - 2665024

e-mail : info@jainandmaharishi.com

of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
1	<p><b>Revenue Recognition and determination of point of time when revenue should be recognised</b> (refer Note 2.2(d) for accounting policy on Revenue Recognition.)</p> <p>The Company has revenue from sale of products which includes finished goods and tooling income and sale of services in the form of Job Work charges. The Company manufactures forged and machined finished goods as per the specification provided by the customers and based on the schedules from the customer.</p> <p>The company recognises revenue from sale of finished goods at a point of time based on terms of the contract with customers which varies for each customer. Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing right to receive payments for the products, delivery specifications including inco terms, timing of transfer of legal title of the goods. Further the pricing of the products dependent on metal indices and foreign exchange fluctuation making the price volatile including variable considerations.</p> <p>Due to judgments relating to determination of point in time in satisfaction of performance obligations with respect to sale of products, this matter has been considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We focused on our understanding of the Company's sales process and analysed the Company accounting policies for revenue recognition, including the criteria for revenue recognition and design and implementation of controls and tested the operating effectiveness of these controls.</li> <li>We assessed the disclosure is in accordance with applicable accounting standards</li> <li>We read the Company's accounting policies pertaining to revenue recognition and assessed compliance with Ind AS 115 - Revenue from Contracts with Customers.</li> <li>We performed analytical procedures in respect of revenue that included, among others, the analysis of quarterly sales for full financial year to detect unusual fluctuations (by type of goods and services, by geographical areas).</li> <li>We have also checked the following documents on sample verification during our audit visit for identification of point in time for transfer of control: <ul style="list-style-type: none"> <li>Sales invoices</li> <li>E-Way bill / delivery challan</li> <li>Proforma invoice</li> <li>Bill of lading / Consignment note</li> <li>Customers confirmation</li> <li>Accounting entry in system</li> <li>Statutory records / Inventory records</li> </ul> </li> </ul>

### 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 Chairman's Letter, Management Discussion and Analysis, and Directors' Report including Annexure to Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.



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

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

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

### **Responsibilities of management and those charged with governance for the Standalone Ind AS Financial Statements**

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the audit of Standalone Ind AS 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure



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A", a statement on the matters specified in paragraphs 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;
  - e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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" to this report,
  - g. In our opinion and according to the information and explanations given to us, the Managerial remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act with respect to requisite approval of the member.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
    - i. According to records of the company, information and explanation given by management of the company, there are no disputes or case pending against the Company.
    - ii. The company does not have any long-term contracts including derivative contracts; hence the question of any material foreseeable losses does not arise;
    - iii. According to records of the company, information and explanation given by management of the company, there is no dividend outstanding to be paid, hence no amounts were required to be transferred, to the Investor Education and Protection Fund by the company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities



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identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The Company has not proposed final dividend for the year ended 31 March 2021 and 31 March 2022. However, interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

For Maharishi & Co.

Chartered Accountants

Firm Registration No. 124872W

Dushyant Maharishi

Partner

Membership No. 146144

Signed at Jamnagar on 10<sup>th</sup> May, 2022

UDIN: 22146144AISYKZ5126



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### ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of TIRUPATI FORGE LTD. on the standalone Ind-AS financial statements for the year ended 31<sup>st</sup> March, 2022]

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment & relevant details of right of use asset.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than immovable properties where company is lessee and lease agreement are duly in favor of lessee) disclosed in standalone financial statements are held in the name of company.

In respect of land taken on lease from managing director of the company on which factory building has been constructed and disclosed as right-of-use assets in the standalone financial statements. The title deeds of building constructed and land taken on lease arrangements are in the name of the company.

(d) The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year ended March 31, 2022.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmations for inventories lying with third parties.

(b) As disclosed in note 14 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of INR Five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone Ind AS financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity, other than to its employees as follows:



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Particulars	Loans / Advances to employees (Rs. in Lakhs)
Aggregate amount granted during the year	10.96
Balance outstanding as at Balance Sheet date	6.08

Accordingly, the requirement to report on clause 3(iii)(a)(A) and (B) of the Order are not applicable to the Company

- (b) The terms and conditions of the grant of all loans and advances in the nature of loans to its employees during the year are not prejudicial to the Company's interest. Since, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity, other than to its employees, the requirement to report on clause 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable in respect of any entity other than employees.
- (c) The Company has granted loans and advances in the nature of interest free loans during the year to its employees where the schedule of repayment of principal has not been stipulated. We are, therefore unable to make specific comment on regularity of repayment of principal.
- (d) In respect of loans and advances in the nature of loans granted to employees during the year, as informed by the management of the company, there are no amounts overdue for more than ninety days. Accordingly, the requirement to report on clause 3(iii)(d) in respect of employees is not applicable.
- (e) In respect of loans and advances in the nature of loans granted to employees, there were no amounts which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same employees. Accordingly, the requirement to report on clause 3(iii)(e) in respect of employees is not applicable.
- (f) In respect of loans and advances in the nature of loans granted to employees, there were no amounts granted which were either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans or made an investment or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company in respect of section 185 and section 186 of the Companies Act 2013, pertaining to these transactions.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of forged products and other products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



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- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues wherever applicable. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of working capital term loans for the purposes for which they were raised.
- (d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company did not have any subsidiaries, associates or joint ventures. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company did not have any subsidiaries, associates or joint ventures. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable. However, the amount raised in FY 2020-21 by preferential allotment have been used for the purpose for which the funds were raised except the unutilized amount of Rs. 1.20 Crores lying with Ashish Credit Co-Op. Society Ltd. The details of utilization of proceeds from Preferential allotments have been disclosed in the Note 36 of the standalone Financial Statements.
- (xi)
- a. No fraud by the Company or no material fraud on the Company has been noticed or reported during the year. However, as per information and explanation provided to us by the



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management of the company, during the year, the company has filed case under Negotiable Instruments Act, 1881 against the "Ashish Credit Co-Op Society Ltd for default in making repayment against maturity due for Fixed deposit of Rs. 1.2 Crores held by the company and case is under litigation and final decision of the court is awaited and therefore we are unable to report on this matter.

- b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv)
- a. The Company has an internal audit system commensurate with the size and nature of its business.
  - b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company. Further, the Company has not conducted any Non-Banking Financial or Housing Finance activities and is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year respectively. Accordingly, the requirement to report on clause 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe



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that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Maharishi & co.  
Chartered Accountants  
Firm Registration no 124872W

Dushyant Maharishi  
Partner  
Membership No 146144  
UDIN: 22146144AISYKZ5126  
Signed at Jamnagar on 10<sup>th</sup> May, 2022



Maharishi & Co.

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**Annexure B to the Independent Auditors' report on standalone financial statement for the year ended 31<sup>st</sup> March, 2022**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('The act') (Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial control over financial reporting of Tirupati Forge Limited (the company) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls over financial reporting with reference to these standalone Ind AS financials**

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

**Auditors' Responsibility for Internal Financial Controls over financial reporting with reference to these standalone Ind AS financials**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

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



*Maharishi & Co.*

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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 Ind AS financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

#### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Dushyant Maharishi  
Partner  
Membership No. 146144

Signed at Jamnagar on 10<sup>th</sup> May, 2022  
UDIN: 22146144AISYKZ5126

# FINANCIAL HIGHLIGHTS 2021-22



**Tirupati Forge Limited****Balance Sheet ended as on March 31, 2022****(₹ in Lacs)**

Particulars	Note	31-Mar-22	31-Mar-21
<b>ASSETS</b>			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	1,308.45	1,385.28
(b) Intangible assets	4	2.50	3.37
(c) Right-of-use asset	34	135.54	3.95
(d) Financial Assets			
(i) Investments	5	0	0
(ii) Trade Receivables	6	7.41	27.41
(ii) Other financial assets	7	113.91	161.51
(e) Deferred Tax Assets (net)	15	2.04	-
(f) Other Non-current asset	11	93.80	-
Total - Non Current Assets		1,663.65	1,581.52
2 Current Assets			
(a) Inventories	8	1,521.01	1,058.25
(b) Financial Assets		-	-
(i) Trade receivables	6	1,605.75	436.23
(ii) Cash and Cash equivalents	9	85.38	11.39
(iii) Loan	10	6.08	3.78
(iv) Other Financial Assets	7	0.92	1.03
(c) Income Tax Assets (Net)		-	3.94
(d) Other Current assets	11	363.33	273.27
Total - Current Assets		3,582.47	1,787.89
<b>TOTAL ASSETS</b>		<b>5,246.12</b>	<b>3,369.41</b>
<b>EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share Capital	12	1,960.00	1,120.00
(b) Other Equity	13	720.98	956.24
Total Equity		2,680.98	2,076.24
Liabilities			
2 Non - Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	339.94	296.00
(ia) Lease Liabilities	34	80.75	4.08
(b) Deferred Tax Liability	15	-	13.95
Total Non - Current Liabilities		420.69	314.03

3	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	14	638.87	460.19
(ia)	Lease Liabilities	34	45.16	0.19
(ii)	Trade payables			
	Total outstanding dues of micro enterprises and small enterprise	17	400.42	86.99
	Total outstanding dues of creditors other than micro enterprises and small enterprises	17	623.47	337.99
(iii)	Other Financial Liabilities	18	2.08	13.10
(b)	Other liabilities	19	15.86	13.37
(c)	Provisions	16	305.83	60.47
(d)	Current tax liabilities (net)		112.76	6.85
	Total Current Liabilities		2,144.45	979.15
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>5,246.12</b>	<b>3,369.41</b>

Significant Accounting Policies 2.1  
The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

For Maharishi & Co

Chartered Accountants

Firm Reg. No. 124872W

Dushyant Maharishi

Partner

Membership No. : 146144

For and on behalf of Board of Directors

Hitesh G. Thumar  
Chairman and  
Managing Director

DIN: 02112952

Bhavesh T. Barsiya  
Wholetime Director

DIN: 05332180

Signed at Hadamtala (Distr. Rajkot) on 10.05.2022

Atul L. Natu  
Chief Financial Officer

Vivek M. Moliya  
Company Secretary

**Tirupati Forge Limited****Statement of Profit & Loss for ended March 31,2022****(Amount in Lakhs)**

Particulars	Note	31-Mar-22	31-Mar-21
<b>INCOME</b>			
I Revenue from operations	20	8,823.61	3,076.92
II Other income	21	106.71	20.35
<b>III TOTAL INCOME(I+II)</b>		<b>8,930.32</b>	<b>3,097.27</b>
<b>IV EXPENSES</b>			
Cost of raw materials and components consumed	22	5,183.81	1,993.91
Purchase of Stock In trade	23	363.92	16.57
Change in Inventory of Finished Goods, Work in Progress and Stock in Trade & Scrap	24	-506.34	-325.33
Employee benefits expense	25	376.61	215.04
Finance costs	27	87.60	37.30
Depreciation and amortization expense	26	242.92	196.28
Other expenses	28	2,346.59	909.10
<b>TOTAL EXPENSES(IV)</b>		<b>8,095.11</b>	<b>3,042.87</b>
V Profit before exceptional and tax (I-IV)		<b>835.21</b>	<b>54.40</b>
VI Exceptional Items			-
VII Profit before tax		<b>835.21</b>	<b>54.40</b>
VIII Tax Expenses:	29		
Current Tax		228.89	13.70
Deferred Tax		-15.99	1.32
Total Tax Expenses		<b>212.90</b>	<b>15.02</b>
<b>IX PROFIT FOR THE YEAR (from continuing operation)</b>		<b>622.31</b>	<b>39.38</b>
<b>Other Comprehensive Income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax on item that will not be reclassified to Profit & loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax on item that will be reclassified to Profit & loss		-	-
Total Other Comprehensive Income for the Year [Net of Tax]		-	-
<b>Total Comprehensive Income for the Year</b>		<b>622.31</b>	<b>39.38</b>
VII Earnings per equity share	30		
Basic EPS		<b>0.64</b>	<b>0.04</b>
Diluted EPS		<b>0.64</b>	<b>0.04</b>

Significant Accounting Policies 2.1

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

As per our report of even date

For Maharishi &amp; Co

Chartered Accountants

Firm Reg. No. 124872W

Dushyant Maharishi

Partner

Membership No. : 146144

Signed at Hadamtala (Distr. Rajkot) on 10.05.2022

For and on behalf of Board of Directors

Hitesh G. Thumar  
Chairman and  
Managing Director

DIN: 02112952

Bhavesh T. Barsiya  
Wholetime Director

DIN: 05332180

Atul L. Natu  
Chief Financial  
OfficerVivek M. Moliya  
Company Secretary

**Tirupati Forge Limited**  
**STATEMENT OF CHANGES IN EQUITY**

**(A) Equity Share Capital**

**Equity Share of Rs. 2/- each issued, subscribed and fully paid**  
**Current Period**

(₹ in Lacs)

Particulars	Note No.	for the year ended March 31, 2022		for the year ended March 31, 2021	
		Number of shares	Amount	Number of shares	Amount
<b>At the beginning of the year</b>		<b>11,200,000</b>	<b>1,120.00</b>	<b>10,320,000</b>	<b>1,032.00</b>
Changes in equity share capital due to prior period errors		-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>		<b>11,200,000</b>	<b>1,120.00</b>	<b>10,320,000</b>	<b>1,032.00</b>
Shares extinguished on splitting of shares (Refer Note below)		-11,200,000	-	-	-
560 Lakhs Equity shares Rs. 2/- each issued each during the year on splitting (Refer note 1)		56,000,000	-	-	-
Changes in equity share capital during the year		42,000,000	840.00	880,000	88.00
<b>At the end of the year</b>		<b>98,000,000</b>	<b>1,960.00</b>	<b>11,200,000</b>	<b>1,120.00</b>

**Note:**

1. During the Financial Year 2021-22, one equity share of face value of Rs. 10/- each was split into 5 equity shares of Rs. 2/- each fully paid up i.e. in ratio of 1:5 to existing shareholders after passing ordinary resolution by members of the company on 28th September, 2021 which was issued on the record date i.e. 09th October, 2021.
2. The company has allotted bonus shares on 10th October, 2021 in ratio of 3:4 to existing shareholders after passing requisite resolution on 28th September, 2021 by the members of the company and the same has been intimated and informed to Stock exchanges.
3. The company, during the previous year had issued and allotted total 11,88,000 equity shares against convertible warrants issued on preferential basis at an issue price of Rs. 45 per equity share under Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and has made reservation for bonus share to be allotted for convertible warrants and issued till the end of previous year.

**(B) Other Equity**

(₹ in Lacs)

Particulars	Note No.	Other		Reserve and Surplus		Total Other Equity
		Money received against share warrants		Security Premium	Retained Earnings	
<b>Balance as at April 01, 2020</b>	15	<b>65.00</b>	<b>142.35</b>	<b>615.00</b>		<b>822.35</b>
Profit for the year			-	39.39		<b>39.39</b>
Other comprehensive income (net of tax)			-	-		-
<b>Total comprehensive income for the year ended March 31, 2021</b>			-	<b>39.39</b>		<b>39.39</b>
Amount utilised against issue of equity shares against conversion of warrants		-65.00				<b>-65.00</b>
Security premium on issue of equity share during the year			192.50	-		<b>192.50</b>
Amount adjusted for issue of Bonus shares			-33.00	-		<b>-33.00</b>
<b>Balance as at March 31, 2021</b>		<b>-</b>	<b>301.85</b>	<b>654.39</b>		<b>956.24</b>
Profit for the year			-	622.31		<b>622.31</b>
Other comprehensive income (net of tax)			-	-		-
<b>Total comprehensive income for the year ended March 31, 2021</b>			-	<b>622.31</b>		<b>622.31</b>
Security premium on issue of equity share during the year				-		-
Amount adjusted for issue of Bonus shares			-301.85	-544.53		<b>-846.38</b>
Payment of interim dividend on equity shares for FY 2021-22				-11.20		<b>-11.20</b>
<b>Balance as at March 31, 2022</b>		<b>-</b>	<b>-</b>	<b>720.98</b>		<b>720.98</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached  
**For Maharishi & Co**  
Chartered Accountants  
FRN: 124872W

**Dushyant Maharishi**

Partner  
Membership no. 146144  
Signed at Jamnagar on May 10, 2022

**For and on behalf of Board of Directors of**

**Hitesh G. Thumar**  
Chairman and Managing Director  
DIN: 02112952

**Bhavesh T. Barsiya**  
Whole time Director  
DIN: 05332180

**Atul L. Natu**  
Chief Financial Officer

**Vivek M. Moliya**  
Company Secretary

<b>TIRUPATI FORGE LIMITED</b>		
<b>Cash Flow Statement for the Year ended 31st March, 2022</b>		
	<b>(₹ in Lacs)</b>	
<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	835.21	54.40
Adjustment for:		
Depreciation & Amortisation Expenses	242.92	196.28
Finance Cost	84.98	37.30
Provision for doubtful debts including expected credit loss	67.50	4.50
(Gain) on sale of property, plant and equipment (net)	-5.98	-2.74
Interest Income	-1.79	-3.65
<b>Operating Profit before working capital changes</b>	<b>1,222.84</b>	<b>286.09</b>
Movements in working capital:		
Decrease/-Increase in Inventories	-462.77	-489.72
Decrease/-Increase in Trade Receivable (excluding provisions)	-1,217.02	-159.03
Decrease/-Increase in Loan and Other Assets	-137.94	-158.44
Increase/-Decrease in Trade Payables	598.91	189.46
Increase/-Decrease in Provisions	245.36	49.69
Increase/-Decrease in Other Liabilities	2.49	-12.36
Increase/-Decrease in Other Financial Liabilities	-11.02	-0.80
<b>Sub-Total Movement in Working Capital</b>	<b>-981.98</b>	<b>-581.19</b>
Cash generated from operations	240.85	-295.10
Income taxes paid (net of refunds)	-119.04	-6.85
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>121.81</b>	<b>-301.95</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital creditors and capital advances)	-153.51	-295.40
Payment including advances for acquiring right-of-use assets	-165.42	-
Subsidy Received under CLCSS Scheme	15.00	-
Proceeds from sale of property, plant and equipment	13.12	13.50
Interest received on fixed deposits	1.28	3.09
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-289.53</b>	<b>-278.81</b>
<b>C. Cash flow form financing activities</b>		
Proceeds / Repayment of Long-term borrowings	43.94	76.52
Proceeds / Repayment of Short-term borrowings	178.68	291.11
Finance Cost	-84.98	-37.30
Proceeds / Repayment of principal portion of lease liabilities	121.64	-0.17
Dividend paid on equity shares	-11.20	-
Net Proceeds from Issue of Shares	-	182.50
Bonus Issue Expense	-6.38	-

<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>241.71</b>	<b>512.66</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>73.99</b>	<b>-68.09</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11.39</b>	<b>79.48</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>85.38</b>	<b>11.39</b>
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash and cheques on hand	7.57	7.33
With bank		
- Current account & deposits having maturity less than 3 months	77.81	4.06
<b>TOTAL</b>	<b>85.38</b>	<b>11.39</b>

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

As per our report of even date For and on behalf of Board of Directors

For Maharishi & Co.

Chartered Accountants

Firm Reg. No. 124872W

Dushyant Maharishi

Partner

Membership No. : 146144

Signed at Hadamtala (Distr. Rajkot) on 10.05.2022

Hitesh G. Thumar  
Chairman and  
Managing Director  
DIN: 02112952

Bhavesht. Barsiya  
Wholetime  
Director  
DIN: 05332180

Atul L. Natu  
Chief Financial  
Officer

Vivek M. Moliya  
Company Secretary

## **Tirupati Forge Limited**

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

#### **1 Corporate Overview :**

Tirupati Forge Limited was incorporated in 2012 under the provisions of companies act applicable in India. The Company is situated at Hadamtala Industrial Area in district of Rajkot of Gujarat State. The Company is primarily engaged in business of manufacturing and selling of Carbon Steel Forged Flanges, Forged and other machined components mainly for auto sector & agri machine parts. The Company caters to both domestic and international markets.

The financial statements were approved and authorized for issue in accordance with a resolution of the board of directors on 10th May, 2022. On 10th May, 2022 Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

#### **2 Basis of Preparation:**

##### **2.1 Basis of Preparation of financial statements and compliance with Indian Accounting Standards (Ind-AS)**

The financial statements have been prepared to comply in all material respects in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company with those used in the previous year. The financial statements are presented in INR (which is the Company's functional and presentation currency) and all values are rounded to the nearest lakhs (INR 1,00,000), except when otherwise indicated.

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for current and non-current classification of assets and liabilities.

##### **2.2 Significant Accounting Policies :**

###### **(a) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption which are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the financial statements and the results of operations during the reporting period. Future result could differ from those estimates. The effects of change in accounting estimates are reflected in the financial statements in the period in which the results are known and if material, are disclosed in the financial statements.

The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

- a) Provision for employee benefits
- b) Provision for tax expenses
- c) Residual value and useful life of property, plant and equipment and intangible assets
- d) Valuation of investments
- e) Provision for bad and doubtful debts
- f) Provision for other expenses

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

**(b) Property, Plant and Equipments and depreciation/amortisation**

**A. Property, Plant and Equipments**

Under Previous GAAP, all the items of property, plant and equipment were carried at historical cost less accumulated depreciation, impairment loss, if any. The Company has elected to regard those values as deemed cost as at April 1, 2019 being the date of transition to Ind AS.

- i) Capital work in progress, property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing, as the case may be, or at deemed cost less accumulated depreciation less accumulated depreciation, amortisation and impairment loss, if any. Freehold land is carried at cost of acquisition.

The cost of all items of property, plant and equipments and capital work-in-progress, if any are comprises of purchase price/cost of construction net of recoverable taxes, trade discount and rebates,

- ii) incidental expenses, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets.

- iii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate

Subsequent costs are added to its asset's carrying value only if they increases the future benefits from the existing asset will flow to the company. All other expenses on fixed assets, including repair and

- iv) maintenance expenditure and replacement expenditure of parts, are charged to Statement of Profit and Loss for the period during the which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or

- v) losses that arise on derecognition of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised.

- vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

**B. Depreciation and amortisation methods, estimated useful lives and residual value**

Depreciation on tangible assets is provided on the written down value (WDV) method to allocate cost

- i) over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for assets which is estimated by the Company.

The company believes that the useful lives as given below best represent the useful lives of these assets

- ii) based on internal assessment and supported by technical advice where necessary which may be different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The Company, based on technical assessment made by technical expert and Management estimate,

- iii) depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. This is in compliance with Schedule-II of Companies Act, 2013.

- iv) Assets which are depreciated over useful life/residual value different than those indicated by Schedule II are as under:

Sr No	Assets Category	Useful Life (Years)
-------	-----------------	---------------------

1	Computers and end user devices	4 Years
---	--------------------------------	---------

2	Plant & Machineries	20 Years
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- v) Depreciation on additions is being provided on pro rata basis from the month of such additions.

- vi) Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.

**(c) Intangible Assets:**

Under Previous GAAP, all the items of intangible assets were carried at historical cost less accumulated depreciation, impairment loss, if any. The Company has elected to regard those values as deemed cost as at April 1, 2016 being the date of transition to Ind AS.

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation, impairment loss, if any. Computer Software for internal use, which is primarily acquired from third party vendors, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred.

Cost of software includes license fees and cost of implementation / system integration services, where applicable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**Type of asset**

**Useful lives estimated by the management (years)**

Intangible assets - Computer software

10

**(d) Revenue Recognition:**

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that can be reliably measured and reflects the consideration which the Company expects to be entitled in exchange for those goods or services, it is also probable that future economic benefits will flow to the Company. The timing of when the company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of Goods and Service Tax (GST) as Company collects goods and service tax on behalf of the government and therefore, there are not economic benefits followings to the company.

The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below (in respect of freight), because it typically controls the goods or services before transferring them to the customer since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below:

**a Sale of goods:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, it can be reliably measured and it is reasonable to expect ultimate collection. Therefore revenue recognition generally corresponds to the date when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer in the following manner:

- i) Domestic sales are recognised at the time of dispatch from the point of sale;
- ii) Export sales are recognised on the date as per terms of sale of every export contract and are initially recorded at the relevant exchange rate prevailing on the date of the transaction.

Generally, Company does not offer any specific credit period to its customer. The normal credit term is 30 to 240 days upon delivery.

The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

**Financing component**

Generally, the Company receives short term advances from its customers. The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

**Principal versus agent consideration in respect of freight**

The Company, on behalf of its customers (espeacially export customers), dispatches goods to agreed locations for an agreed fee. The Company has determined that the performance obligation of the Company is to arrange for those goods and services (Company is an agent) to the customers and hence the amount charged to the customer offset by freight charges paid to the freight service providers is shown as revenue and disclosed as other operating income or other operating expenses, depending upon the results of the offsetting.

**b Jobwork Income**

Revenue from job work is recognised when material received is given back to customer after processing as per contracts with the customers.

**c Dividend income**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**d Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

**e Export incentives**

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds

**f Die design and preparation charges**

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when the significant risks and rewards of ownership of dies are transferred to the buyers.

**g Die Development Charges**

Revenue in respect of die development charges for others is recognised when dispatches goods to the customer for which it used to produced and no significant uncertainty as to its determination or realisation exist.

**(e) Inventories:**

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares in determined on a First-in-first out basis.

Work-in-progress and finished goods are valued as lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Traded goods are valued at lower of cost and net realizable value. Cost include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First-in-first out basis.

**d** By-Products are valued at Net Realisable Value.

**e** Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase.

**(f) Cash Flow Statement:**

Cash Flows are presented using indirect method, whereby profit/(loss) before extra ordinary items and tax is adjusted for the effects of transactions of non -cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances, highly liquid investment with maturity of 3 months or less that are readily convertible into cash.

**(g) Foreign Currency Transactions:****a Initial Recognition:**

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

**b Conversion:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currencies are restated at the year end exchange rates. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transactions. Non- monetary items, which are measured at fair value or others similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c Exchange Differences:**

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

**(h) Government Grants:**

Revenue related grants are recognised on accrual basis wherever there is reasonable certainty and  
**a** reliably measured are disclosed under other operating income. Receivables of such grants are shown under Other Current Assets.

Export benefits are accounted in the year of exports based on eligibility and when there is no  
**b** uncertainty in receiving the same. Receivables of such export benefits are shown under Other Current Assets.

**c** When the grant relates to an asset, it is adjusted against the cost of that property, plant and equipments in the year of receipt.

**(i) Financial Assets, Financial Liability and Equity Instruments:**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at below mentioned categories. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises (i.e. removes from the Company's Balance Sheet) a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**a Initial recognitions and subsequent measurements of Financial Assets:**

The company classifies its financial assets at initial recognition those measured at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows characteristics. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

**Fixed Deposits**

Fixed Deposits held with banks are measured at Amortised Cost as it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

Interest income from fixed deposits are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Trade Receivables

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### **b Initial recognitions and measurements of Financial Liabilities:**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### **c Subsequent measurements of Financial Liabilities:**

Financial Liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

### **d Impairment of financial assets:**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses (ECL) are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used and recognised as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer an increase in credit risk since initial recognition, the Company reverses the impairment loss allowance.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses

The Balance Sheet presentation for various financial instruments is described below:

l) Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**(j) Employee Benefits:**

**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

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

**Post-employment benefits**

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

Company has not created gratuity fund of its own/has not taken any policy with respect to payment of gratuity to employees at time of retirement. The liability of the same is also not valued by independent actuary. Company is paying monthly gratuity to all employees, calculated as per provision of Payment of Gratuity Act, 1972 along-with salary payable to them. Moreover, the company has obtained opinion from labour law consultant for Compliance for payment of Gratuity as per Payment of Gratuity Act, 1972. Refer to note no 31 of the financial statements.

**(k) Borrowing Costs:**

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

Borrowing costs directly attributable to the construction of an qualifying asset that necessarily take a substantial period of time to get ready for its intended use are capitalized as part of the cost of the b qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or saleAll of there borrowing costs are expensed in the period they are incurred.

**(l) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. As company mainly manufactures "forging component" and Core Management Committee examines performance of the company as a single operating segment in accordance with Ind AS 108 "Operating Segments" notified pursuant to Companies (Accounting Standards) Rule, 2015. Further, there is reportable secondary segment i.e. Geographical segment. Core Management Committee examines performance from geographical perspective and has identified geographical reportable segments from which significant risks rewards are derived viz. Domestic Sales & Export Sales. Disclosure of the same has been made in Note No. 41 of the financial statements. Segment reveune comprises of revenue from operations from forging components and other operating revenue. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

**(m) Lease:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

**a Right of use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies on impairment of non-financial assets.

**b Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

**(n) Earning Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares. The weighted average number of equity shares outstanding during the previous period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

**(o) Taxation:**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

Current Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date

### Deferred Taxes

Deferred tax is recognised from temporary timing differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Presentation of current and deferred tax:**

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **(p) Impairment of non-financial assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

#### **(q) Provision, Contingent Liabilities and Contingent Assets:**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These estimates reviewed at each reporting date and adjusted to reflect the current best estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements.

#### **(r) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**Tirupati Forge Limited**  
**Notes forming part of the balance sheet for the year ended March 31, 2022**

4

INTANGIBLE ASSETS

Particulars

Computer Software

Cost

at April 1, 2020

Purchase

at March 31, 2021

Purchase

at March 31, 2022

Amortisation and impairment

at April 1, 2020

Amortisation

at March 31, 2021

Amortisation

at March 31, 2022

Net Block

at March 31, 2021

at March 31, 2022

(a) No revaluation has been done during the year with respect to intangible assets.

5

INVESTMENTS

Particulars

As at March 31, 2022

As at March 31, 2021

NON-CURRENT

Investments designated at Cost

Equity instruments (unquoted) (fully paid)

Ashish Credit Co-operative Society Limited

TOTAL

Aggregate value of unquoted investments

6

TRADE RECEIVABLES

Particulars

As at March 31, 2022

As at March 31, 2021

Non-current

Unsecured

Considered Good

Significant increase in credit risk

Less:

Impairment allowance (allowance for bad and doubtful debts including expected credit loss)

Significant increase in credit risk

Total

Current

Unsecured

Considered Good

Total

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally received within 90 days.

The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in Refer note 40.

Ageing schedule as at 31 March 2022

Outstanding for following periods from due date of payment

Less than 6 months

6 months - 1 year

1 - 2 years

2 - 3 years

More than 3 years

Total

Undisputed trade receivables – considered good

Undisputed trade receivables – which have significant increase in credit risk

Disputed trade receivables - considered good

Disputed trade receivables - which have significant increase in credit risk

**Tirupati Forge Limited**
**Notes forming part of the balance sheet for the year ended March 31, 2022**

Ageing schedule as at 31 March 2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	
Undisputed trade receivables – considered good	436.10	0.13				436.23
Undisputed trade receivables – which have significant increase in credit risk			11.41	2.50		13.91
Disputed trade receivables - considered good						-
Disputed trade receivables - which have significant increase in credit risk				18.00		18.00
	436.10	0.13	11.41	20.50	-	468.14
7 <b>OTHER FINANCIAL ASSETS</b>						
			(₹ in Lacs)			
<b>PARTICULARS</b>			<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>		
<b>Non-current</b>						
Security Deposits			29.96	24.19		
Deposits with maturity for more than twelve months (*)			133.10	132.47		
Provision for credit risk on deposit (#)			-54.00	-		
Interest accrued on fixed deposits			4.85	4.85		
<b>Total</b>			<b>113.91</b>	<b>161.51</b>		
<b>Current</b>						
Interest accrued on fixed deposits			0.92	1.03		
<b>Total</b>			<b>0.92</b>	<b>1.03</b>		
(*) Rs. 8,04,396/- ( March 31, 2021 : Rs. 7,66,491/-) in non-current portion are against bank guarantee provided to PGVCL.						
(#) Company had temporary parked the unutilised amount in the fixed deposits lying with Ashish Credit Co-operative Society Ltd. Fixed Deposits are now overdue for maturity since November, 2020. However, the company during the year the company has filed case under Negotiable Instruments Act,1881 against the “Ashish Credit Co-Op Society Ltd for default in making repayment against maturity due for Fixed deposit of Rs. 1.2 Crores held by the company and case is under litigation. Company has made provision for expected credit loss of Rs. 54 Lakhs as at 31st March, 2022 for the same as estimated by management of the company.						
8 <b>INVENTORIES</b>						
			(₹ in Lacs)			
<b>PARTICULARS</b>			<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>		
Raw Materials [includes items lying with third parties and items in			242.30	293.02		
Stores & Consumables			13.27	6.14		
Work In Progress [includes items lying with third parties]			379.55	142.84		
Finished Goods			796.39	584.90		
Scrap			89.50	31.35		
<b>TOTAL</b>			<b>1,521.01</b>	<b>1,058.25</b>		
9 <b>CASH &amp; CASH EQUIVELENTS</b>						
			(₹ in Lacs)			
<b>PARTICULARS</b>			<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>		
Cash on hand			7.57	7.33		
Balances with Banks:						
In Current Accounts			77.81	4.06		
<b>TOTAL</b>			<b>85.38</b>	<b>11.39</b>		
10 <b>LOAN</b>						
			(₹ in Lacs)			
<b>PARTICULARS</b>			<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>		
Loans to employees			6.08	3.78		
<b>Total</b>			<b>6.08</b>	<b>3.78</b>		
No loans are due from directors or other officers of the Company, firms in which director is a partner or private companies in						

**Tirupati Forge Limited**
**Notes forming part of the balance sheet for the year ended March 31, 2022**
**11 OTHER ASSETS**

(₹ in Lacs)

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Non-Current (Unsecured, Considered Good)</b>		
Custom bond Receivable (#)	187.60	-
Provision for Bond Receivable	-93.80	-
	<b>93.80</b>	<b>-</b>
<b>Current (Unsecured, Considered Good)</b>		
Advance to suppliers	22.04	14.42
Balances with Govt Authorities	295.72	194.06
Export Incentive Receivables	42.24	63.70
Other assets (*)	3.33	1.09
<b>TOTAL</b>	<b>363.33</b>	<b>273.27</b>

(\*) Includes prepaid expenses, sundry debit balances, etc.

No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person.

(#) Company has paid for Custom duty Bond in USA for export of forged flanges to its premium customer in USA. Bond amount is subject to review by USA authority at its prescribed intervals which may be 2-3 years. However, the company has estimated provision for doubtful receivable of bond as per management estimate.

**12 EQUITY SHARE CAPITAL**

(₹ in Lacs)

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>(a) Authorized Share Capital</b>		
1000 Lakhs Equity Shares of ₹ 2 each	2,000.00	1,150.00
(As at 31st March, 2021 115 Lakhs Equity Shares of ₹ 10 each)	<b>2,000.00</b>	<b>1,150.00</b>
<b>Issued, Subscribed &amp; Fully paid up Share Capital</b>		
980 lakhs Equity Shares of ₹ 2 each	1,960.00	1,120.00
(As at 31st March, 2021 112 Lakhs Equity Shares of ₹ 10 each)		
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,960.00</b>	<b>1,120.00</b>

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares**

<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	<b>No. of Shares</b>	<b>Amount (₹ in Lacs)</b>	<b>No. of Shares</b>	<b>Amount (₹ in Lacs)</b>
At the beginning of the period	11,200,000	1,120.00	10,320,000	1,032.00
Shares extinguished on splitting of shares (Refer Note below)	-11,200,000	-	-	-
560 Lakhs Equity shares ₹2/- issued each during the year on splitting (Refer note below)	56,000,000	-	-	-
Issued during the period - Bonus Shares	42,000,000	840.00	330,000	33.00
Issued during the period - Preferential Issue	-	-	550,000	55.00
Outstanding at the end of the period	98,000,000	<b>1,960.00</b>	11,200,000	<b>1,120.00</b>

Note:

During the Financial Year 2021-22, one equity share of face value of Rs. 10/- each was split into 5 equity shares of Rs. 2/- each fully paid up i.e. in ratio of 1:5 to existing shareholders after passing ordinary resolution by members of the company on 28th September, 2021 which was issued on the record date i.e. 09th October, 2021.

The Company has completed process of allotting 11,88,000 equity shares against convertible warrants issued on preferential basis as per terms and conditions approved by the members on 15th March, 2019. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Funds raised by Preferential issue have been utilized for the purpose mentioned in the objects of the issue in the offer documents (Note No 36).

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

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

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

**Tirupati Forge Limited****Notes forming part of the balance sheet for the year ended March 31, 2022****(d) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No.	% of total holding	No.	% of total holding
Bhargavi Manojbhai Thummar	15,822,800	16.15%	1,808,320	16.15%
Chetna Mukeshbhai Thummar	16,137,800	16.47%	1,844,320	16.47%
Hiteshkumar Gordhanbhai Thummar (*)	10,711,565	10.93%	1,224,000	10.93%
Balaji Securities	7,700,000	7.86%	880,000	7.86%
Jayaben Shivilal Thummar	5,964,192	6.09%	597,600	5.34%
Omshanti Heights Private Limited	5,528,617	5.64%	697,789	6.23%
Otamben Khodabhai Thummar	5,215,000	5.32%	596,000	5.32%
Finstock Investment	3,955,000	4.04%	752,000	6.71%

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

(\*) Shareholding of Hiteshkumar G. Thummar includes 1565 shares in the capacity of trustee due to fraction of shares generated by allotment of Bonus Shares on 10.10.2021.

**(e) Disclosure of Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date by capitalisation of securities premium and free reserves.**

Year of Allotment	2021-22	2020-21	2019-20	2017-18
No. of Shares allotted	42,000,000	330,000	3,870,000	1,727,000
Class of Shares	Equity	Equity Shares	Equity Shares	Equity
Ratio of Bonus (bonus shares issued for every shares held)	3:4	6:10	6:10	22:10
	(Face Value of Rs 2/-)	(Face Value of Rs 10/-)	(Face Value of Rs 10/-)	(Face Value of Rs 10/-)

**(f) Shareholding of Promoters**

Name of Promoters	As at March 31, 2022		% Change during the year	As at March 31, 2021		% Change during the year
	No. of shares	%		No. of shares	%	
Bhargavi Manojbhai Thummar	15,822,800	16.15%	0.00%	1,808,320	16.15%	-1.37%
Chetna Mukeshbhai Thummar	16,137,800	16.47%	0.00%	1,844,320	16.47%	-0.82%
Hiteshkumar Gordhanbhai Thummar	10,711,565	10.93%	0.00%	1,224,000	10.93%	-0.93%
Jayaben Shivilal Thummar	5,964,192	6.09%	0.75%	597,600	5.34%	-0.45%
Otamben Khodabhai Thummar	5,215,000	5.32%	0.00%	596,000	5.32%	-0.46%
Darshna Hiteshbhai Thummar	2,584,400	2.64%	0.00%	295,360	2.64%	-0.22%
Vishal Ramjibhai Sorathia	635,600	0.65%	0.00%	72,640	0.65%	-0.05%
Ajay Vithalbhai Sardhara	537,600	0.55%	0.00%	61,440	0.55%	-0.05%
	57,608,957	58.78%	0.73%	6,499,680	58.05%	-4.35%

During the year 2020-21, The Company has completed process of allotting 11,88,000 equity shares against convertible warrants issued on preferential basis as per terms and conditions approved by the members. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly promoter's holding has been reduced by 4.35%.

**13 OTHER EQUITY**

PARTICULARS	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
<u>Securities Premium [Refer Note 13(a)]</u>		
Opening Balance	301.85	142.35
Add: premium received on issue of equity shares	-	192.50
Less: Amount utilised for issue of bonus shares	-301.85	-33.00
<b>Closing Balance</b>	<b>-</b>	<b>301.85</b>
<u>Surplus in Statement of Profit and Loss</u>		
Balance as per the last financial statements	654.39	615.00
Add: Net Profit for the year	622.31	39.39
Less: Amount utilised for issue of bonus shares	-544.53	-
Less: Interim equity dividend for current financial year	-11.20	-
<b>Closing Balance</b>	<b>720.98</b>	<b>654.39</b>
<b>TOTAL OTHER EQUITY</b>	<b>720.98</b>	<b>956.24</b>

**(a) Securities Premium:**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**Tirupati Forge Limited**

Notes forming part of the balance sheet for the year ended March 31, 2022

**14 BORROWINGS****PARTICULARS****As at March  
31, 2022****(₹ in Lacs)****As at March  
31, 2021****Non-Current****Term Loans from Banks (Secured)**

339.94

286.00

**Loan from Director (Unsecured)**

-

10.00

**Total****339.94****296.00****Current**

Current Maturities of term loans (Secured)

72.95

62.06

**From Banks (Secured)**

Cash Credit

108.41

177.30

Preshipment Packing Credit

457.51

220.83

**638.87****460.19**

The above amount includes

Secured borrowings

978.81

746.19

Unsecured borrowings

-

10.00

**Total Borrowings****978.81****756.19****Machineries Term Loan from IOB Bank**

Loan is secured against hypothecation of Plant &amp; Machineries purchased &amp; to be purchased from the said Term Loan. It is also secured

(a) by equitable mortgage of Land and Building situated at Hadamtala Industrial Zone, District Rajkot of the company and personal guarantee of directors.

(b) Interest rate of term loan is linked to RLLR plus 1.80% i.e. 8.65% p.a. as per last Sanction Letter.

(c) Term Loan is repayable in 75 monthly instalment of Rs. 4,57,330/- commencing from January, 2019 and ending on September, 2026.

**Term Loan from ICICI Bank for Staff bus**

(a) Term loan is secured against Staff bus.

(b) Interest rate of loan is 9.00%.

(c) Term Loan is repayable in 63 monthly instalment of Rs. 29,065/- commencing from May, 2017 and ending on October, 2023.

**Term Loan from ICICI Bank for Motor Car**

(a) Term loan is secured against Staff bus.

(b) Interest rate of loan is 7.65%.

(c) Term Loan is repayable in 36 monthly instalment of Rs. 80,361/- commencing from August, 2021 and ending on July, 2024.

**Working Capital Term Loan from IOB Bank under GECL Scheme**

WCTL under GECL is secured against hypothecation of stock and book debts and with exclusive first charge on entire current assets of

(a) the present and future. It is also secured by equitable mortgage of Industrial Land and Building situated at Hadamtala Industrial Zone, District Rajkot and personal guarantee of directors.

(b) Interest rate of term loan is Repo rate plus markup plus 1.00% i.e. 7.85% p.a.

(c) Term Loan is repayable in 35 monthly instalment of Rs. 2,38,444/- and 36<sup>th</sup> installment of Rs. 2,35,796/- commencing after moratorium period of 12 months from the date of first installments i.e. March 2022.**Working Capital Term Loan from IOB Bank under ECLGS 1.0 extension Scheme**

(a) WCTL under ECLGS 1.0 is rank pari passu with all the existing facilities in terms of security. It is also collaterally secured by equitable mortgage of Industrial Land and Building situated at Hadamtala Industrial Zone, District Rajkot and pledge of equity shares of promoters

(b) Interest rate of term loan is Repo rate plus markup plus 1.00% i.e. 7.85% p.a. Presently RLLR is 6.85%.

(c) Term Loan is repayable in 35 monthly instalment of Rs. 3,33,888/- and 36<sup>th</sup> installment of Rs. 3,33,920/- commencing after moratorium period of 24 months from the date of first installments i.e. January 2024.

(d) During the year ended March 31, 2022, the Company has availed fresh Working Capital term loans. Proceeds from it have been utilised for the intended purpose.

**Vehicle Term Loan from HDFC Bank**

(a) Term loan is secured by exclusive first charge on the Mahindra Jayo financed by the banks.

(b) Interest rate of loan is 8.34%.

(c) Term Loan is repayable in 36 monthly instalment of Rs. 31,240/- and Rs. 3,810/- commencing from March, 2021 and ending on February, 2024.

**Loan from director**

(a) Loan from director is unsecured.

**Cash Credit**

Loan is secured against hypothecation of stock and book debts and with exclusive first charge on entire current assets of the present and

(a) future. It is also secured by equitable mortgage of Industrial Land and Building situated at Hadamtala Industrial Zone, District Rajkot and personal guarantee of directors.

(b) Interest rate of term loan is linked to RLLR plus 1.80% i.e. 8.65% p.a. as per last Sanction Letter.

(d) It is repayable on demand.

**Tirupati Forge Limited**
**Notes forming part of the balance sheet for the year ended March 31, 2022**
**Preshipment Packing Credit**

- (a) The loan is secured against hypothecation of inventories and trade receivables.  
 (b) Interest rate is as per circular of the bank.  
 (c) It is repayable on demand.

**Working capital facilities and statements filed with bank**

The Company has availed working capital facilities from banks in form of packing credit and cash credit. The Company have filed the quarterly statements with banks with regard to the securities provided against such working capital facilities on periodic basis. The statements filed are in agreement with the books of accounts of the Company.

- (a) The Company has been sanctioned a fund based limit of ₹ 690 Lakhs (PY ₹ 490 Lakhs) and non-fund based limit of ₹ 100 Lakhs (PY ₹ 100 Lakhs) in respect of working capital facilities by its bankers as at March 31, 2022.

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**15 DEFERRED TAX LIABILITIES (net)**

<b><u>PARTICULARS</u></b>	<b>(₹ in Lacs)</b>	
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b><u>Deferred Tax Liabilities</u></b>		
On account of timing difference in Property, plant and equipments	46.66	15.21
<b>Gross Deferred Tax Liabilities</b>	<b>46.66</b>	<b>15.21</b>
<b><u>Deferred Tax Assets</u></b>		
Provision for bad/doubtful debts and advances	-16.99	-1.13
Other Adjustment on account of Ind AS	-31.24	-0.13
Provision for employee benefits	-0.47	-
<b>Gross Deferred Tax Assets</b>	<b>-48.70</b>	<b>-1.26</b>
<b>Total Deferred Tax (Asset)/Liability</b>	<b>-2.04</b>	<b>13.95</b>

Movement in deferred tax

<b>Particulars</b>	<b>Property, plant and equipment (*)</b>	<b>Financial instruments</b>	<b>Employee benefits (u/s. 43B)</b>	<b>Lease Liabilities</b>	<b>Doubtful Debts</b>	<b>(₹ in Lacs) Total</b>
<b>At 31 March 2020</b>	<b>12.92</b>	<b>0.84</b>	<b>-</b>	<b>-1.12</b>	<b>-</b>	<b>12.64</b>
<b>Charged/(credited)</b>						
to profit and loss	2.29	0.12	-	0.04	-1.13	1.31
to other comprehensive income	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>15.21</b>	<b>0.95</b>	<b>-</b>	<b>-1.08</b>	<b>-1.13</b>	<b>13.95</b>
<b>Charged/(credited)</b>						
to profit and loss	31.45	-0.50	-0.47	-30.61	-15.86	-15.99
to other comprehensive income	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>46.66</b>	<b>0.45</b>	<b>-0.47</b>	<b>-31.69</b>	<b>-16.99</b>	<b>-2.04</b>

(\*) It includes impact of Right-of-use assets

**16 PROVISIONS**

<b><u>PARTICULARS</u></b>	<b>(₹ in Lacs)</b>	
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b><u>Current</u></b>		
Provision for Employee Benefits	15.65	15.22
Other Provisions	290.18	45.25
<b>TOTAL PROVISION</b>	<b>305.83</b>	<b>60.47</b>

**17 TRADE PAYABLES**

<b><u>PARTICULARS</u></b>	<b>(₹ in Lacs)</b>	
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Dues to parties registered under MSMED Act, 2006	400.42	86.99
Others	623.47	337.99
<b>TOTAL</b>	<b>1,023.89</b>	<b>424.98</b>

Trade payables are non-interest bearing and are generally settled on 60 to 90 days terms.

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and interest outstanding as at 31.03.2022 is given below:

(i) Amounts unpaid as at end of period	Principal	400.42	86.99
	Interest	-	-
(ii) Amounts paid after appointed date		-	-
(iii) Amount of interest accrued and unpaid		-	-
(iv) Amount of interest paid during the		-	-

**Tirupati Forge Limited**
**Notes forming part of the balance sheet for the year ended March 31, 2022**

Ageing schedule as at 31 March 2022	Due - Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro small and medium enterprises	399.77	0.57	0.08	-	400.42
Others	618.83	0.92	2.49	1.22	623.46
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,018.60</b>	<b>1.49</b>	<b>2.57</b>	<b>1.22</b>	<b>1,023.88</b>

Ageing schedule as at 31 March 2021	Due - Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro small and medium enterprises	81.95	5.04	-	-	87
Others	329.58	4.93	0.57	2.90	338
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>411.54</b>	<b>9.97</b>	<b>0.57</b>	<b>2.90</b>	<b>424.98</b>

**18 OTHER FINANCIAL LIABILITIES**

PARTICULARS	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
<u>Other current financial liabilities at amortised cost</u>		
Interest accrued but not due on borrowings	1.01	0.53
Directors Remuneration	1.07	12.56
<b>TOTAL</b>	<b>2.08</b>	<b>13.10</b>

**19 OTHER CURRENT LIABILITIES**

PARTICULARS	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues	14.78	5.35
Advances from Customers (*)	1.08	8.02
<b>TOTAL</b>	<b>15.86</b>	<b>13.37</b>

(\*)The contract liabilities primarily relate to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the goods are passed on to the customers.

**Tirupati Forge Limited**  
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

<b>REVENUE FROM OPERATIONS</b>		<b>(₹ in Lacs)</b>	
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
20 <b>Sale of Products</b>			
Sale of Goods	7,750.58	2,621.01	
Tooling / Die Development Income	24.23	13.39	
<b>Total Sale of Products</b>	<b>7,774.81</b>	<b>2,634.40</b>	
Job work charges	124.35	42.94	
<b>Other Operating Revenue</b>			
Manufacturing Scrap	859.30	319.86	
Export incentives	65.15	79.72	
	<b>1,048.80</b>	<b>442.52</b>	
<b>TOTAL REVENUE FROM OPERATION</b>	<b>8,823.61</b>	<b>3,076.92</b>	
Geographical Markets			
Outside India	5,813.96	1,779.26	
Within India	3,009.65	1,297.66	
<b>TOTAL REVENUE FROM OPERATION</b>	<b>8,823.61</b>	<b>3,076.92</b>	
Sale of goods includes F.O.B. value of export of Rs. 5813.96 Lakhs (March 31, 2021 : Rs. 1,779.26 Lakhs).			
21 <b>OTHER INCOME</b>			
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>(₹ in Lacs)</b>
Gain on exchange fluctuations	97.06	11.59	
Interest	2.28	5.01	
Surplus on sale of property, plant and equipments	5.98	2.74	
Other Income	1.39	1.01	
<b>TOTAL</b>	<b>106.71</b>	<b>20.35</b>	
22 <b>COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b>			
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>(₹ in Lacs)</b>
<u>Opening Stock</u>			
Raw Materials	293.02	131.04	
<u>Purchases</u>			
Purchase of Raw Materials (net of sales)	3,879.45	2,008.45	
Purchase of Semi Finished Goods	1,253.64	147.44	
<u>Closing Stock</u>			
Raw Materials	242.30	293.02	
<b>TOTAL</b>	<b>5,183.81</b>	<b>1,993.91</b>	
23 <b>PURCHASE OF TRADED GOODS</b>			
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>(₹ in Lacs)</b>
Purchase of Forged Machined goods	11.45	16.57	
Purchase of Steel Billets	352.47	-	
<b>TOTAL</b>	<b>363.92</b>	<b>16.57</b>	
24 <b>(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP</b>			
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>(₹ in Lacs)</b>
<u>Inventories at the end of the year</u>			
Work-in-progress [includes items lying with third parties]	379.55	142.84	
Finished goods	796.39	584.90	
Scrap	89.50	31.35	
<b>Total</b>	<b>1,265.44</b>	<b>759.09</b>	
<u>Inventories at the beginning of the year</u>			
Work-in-progress [includes items lying with third parties]	142.84	109.70	
Finished goods	584.90	308.96	
Scrap	31.36	15.10	
<b>Total</b>	<b>759.10</b>	<b>433.76</b>	
<b>change in inventory of work in process</b>	<b>-506.34</b>	<b>-325.33</b>	
25 <b>EMPLOYEE BENEFIT EXPENSES</b>			
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>(₹ in Lacs)</b>
Salary, Wages & Bonus to employees (including managing and whole time director's remuneration)	360.85	203.36	
Contribution to provident funds	5.38	5.34	
Gratuity Expenses	5.15	3.45	
Staff Welfare Expenses	5.23	2.89	
<b>TOTAL</b>	<b>376.61</b>	<b>215.04</b>	

**Tirupati Forge Limited**
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

<b>26 DEPRECIATION AND AMORTIZATION EXPENSE</b>			(₹ in Lacs)
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
Depreciation on property, plant and equipment	208.21	195.06	
Amortisation on intangible assets	0.87	0.90	
Depreciation on right-of-use assets	33.84	0.32	
<b>TOTAL</b>	<b>242.92</b>	<b>196.28</b>	
<b>27 FINANCE COSTS</b>			(₹ in Lacs)
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
Interest on Working Capital Loan	35.36	17.05	
Interest on Vehicles Loan	2.75	0.98	
Interest on Statutory dues	1.33	0.35	
Interest on Term Loan	10.00	4.45	
Interest on lease liabilities	11.13	0.43	
Other Bank Charges	27.03	14.04	
<b>TOTAL</b>	<b>87.60</b>	<b>37.30</b>	
<b>28 OTHER EXPENSES</b>			(₹ in Lacs)
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
Consumption of Stores, Spares & tools	262.94	123.05	
Machining / subcontracting charges	563.63	184.98	
Freight Forwarding Charges	768.32	137.99	
Power & Fuel	489.74	314.76	
Repairs & Maintenance			
Building	12.45	10.75	
Machineries	49.43	26.09	
Others	2.20	4.53	
Legal & consultancy Charges	25.08	32.96	
Office Admin Exp	32.66	18.71	
Other expenses	36.35	27.86	
Corporate Social Responsibility Expenses	4.84	4.31	
Insurance expenses	13.02	5.84	
Provision for doubtful debts and advances (including expected credit)	67.50	4.50	
Prior Period Items	0.85	0.40	
Rent, Rates and taxes	0.27	1.44	
Advertising & Sales Promotion	4.95	1.62	
Communication cost	2.74	5.65	
Travelling & Conveyance	8.37	2.41	
<b>Total</b>	<b>2,345.34</b>	<b>907.85</b>	
Payment to Statutory Auditor includes			
Statutory Audit	1.00	1.00	
Tax Audit	0.25	0.25	
<b>Total</b>	<b>1.25</b>	<b>1.25</b>	
<b>Total Other Expenses</b>	<b>2,346.59</b>	<b>909.10</b>	
<b>29 TAX EXPENSES</b>			(₹ in Lacs)
<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
(a) <b>Current Tax</b>			
Current income tax charge	227.45	13.70	
Current tax expense pertaining to prior years	1.44	-	
	<b>228.89</b>	<b>13.70</b>	
<b>Deferred Tax</b>			
Relating to origination and reversal of temporary differences	-15.99	1.32	
<b>TOTAL</b>	<b>212.90</b>	<b>15.02</b>	
(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate			
Profit Before Tax	835.21	54.40	
Expected Tax Expense at the tax rate of 25.168% (PY - 25.168%)	210.21	13.69	
<b>Tax effect of amount which are not deductible (taxable) in calculating taxable income :</b>			
Disallowance of Corporate social responsibility expenditure	1.14	0.58	
Other Disallowances	1.14	0.10	
(Allowance)/Disallowance of expenditure incurred on rented plant, property (net)	-2.50	0.04	
Interest on Income Tax	0.33	-	
Taxes of Previous year	1.44	-	
Ind AS adjustment on account of amortisation of loan processing charges	-0.61	-	
Others	4.23	1.61	
<b>Tax effect of amounts which are deductible (non taxable) in calculating taxable income :</b>			
Ind AS adjustment on account of amortisation of term loan processing charges	-0.05	-0.12	
Profit on Sale of asset from block of assets as per Income Tax	-1.51	-0.69	
Tax pertaining to prior years adjustments	-0.91	-0.19	
<b>Total Income Tax Expense</b>	<b>212.90</b>	<b>15.02</b>	

**Tirupati Forge Limited**  
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

**30 EARNING PER SHARE**

(₹ in Lacs)

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Numerator for basic and diluted EPS</b>		
Net profit after tax attributable to shareholders	622.31	39.39
<b>Denominator for basic EPS</b>		
Weighted Avg. No. of Shares (nos)	98,000,000	96,930,140
<b>Denominator for diluted EPS</b>		
Weighted Avg. No. of Shares	98,000,000	97,650,389
<b>Basic EPS per share of face value of Rs. 10/- each</b>	<b>0.64</b>	<b>0.04</b>
<b>Diluted EPS per share of face value of Rs. 10/- each</b>	<b>0.64</b>	<b>0.04</b>

Diluted earning per share is calculated condering amount received against partly paid share warrants allotted as potential equity share as per Ind AS-33 "Earning Per Share". The current year diluted EPS is not calculated since there was no potential equity shares outstanding at the end of the financial year as all warrants are converted into equity shares.

**31 GRATUITY**

Company has not created gratuity fund of its own/has not taken any policy with respect to payment of gratuity to employees at time of retirement. The Company has not taken valuation for Gratuity liability from independent actuary valuer this year. During from previous financial year, the company is paying gratuity to all employees, calculated as per provision of Payment of Gratuity Act, 1972 along-with salary payable to them. Therefore, in absence of valuer's report for gratuity liability, figures for current year with respect to disclosures as per Ind AS 19 has not been shown. Moreover, the company has obtained opinion from labour law consultant for Compliance for payment of Gratuity as per Payment of Gratuity Act, 1972.

**32 RELATED PARTY DISCLOSURE**

<b>Key Managerial Personnel</b>	<b>Designation</b>
Hiteshkumar Gordhanbhai Thummar	Chairman & Managing Director
Bhavesh Tulshibhai Barsiya	Whole Time Director
Darshna Hiteshbhai Thummar	Director
Atulbhai Laxmanbhai Natu	Chief Financial Officer
Vivek Manishbhai Moliya	Company Secretary

**Relative of Key Managerial Personnel**

Chetna Mukeshbhai Thummar	Relative of Director
Jayaben Shivilal Thummar	Relative of Director
Otamben Khodabhai Thummar	Relative of Director

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

A - 1 Furniture

**33 RELATED PARTY TRANSACTION**

(₹ in Lacs)

<b>Name of person</b>	<b>Nature of transaction</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>(A) Key Managerial Personal</b>			
Hiteshkumar Gordhanbhai Thummar	Director's Remuneration	18.00	15.00
Bhavesh Tulshibhai Barsiya	Director's Remuneration	7.20	6.00
Atulbhai Laxmanbhai Natu	Short term employee benefits	8.40	6.92
Vivek Manishbhai Moliya	Short term employee benefits	3.08	1.37
Jalpa Doshi	Short term employee benefits	-	0.96
<b>(B) Relative of Key Managerial Personal</b>			
Hiteshkumar Gordhanbhai Thummar	Lease Rent	0.60	0.60

**34 LEASE**

**(a) Company as lessee**

The company has entered into lease agreement for land for the period of 20 years from Hiteshbhai G. Thummar, Chariman and Managing Director of the Company, used in its operations. The transaction was approved by Board of Director as well as by members of the Company. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The company has also entered into finance lease arrangement with Siemens Financial Services Private Limited for more than one machineries to used in its operations. The transaction was approved by Board of Director as well as by members of the Company. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain lease agreements related to other assets with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

**Tirupati Forge Limited**
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

Particulars	(₹ in Lacs)		
	Leasehold Land	Plant & Machine	Total
At April 1, 2020	4.28		4.28
Additions during the year	-		-
Depreciation charged during the year	-0.32		-0.32
At March 31, 2021	3.95	-	3.95
Additions during the year	0.59	164.83	165.42
Depreciation charged during the year	-0.16	-33.67	-33.83
At March 31, 2022	4.38	131.16	135.54

Below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Amount	
At April 1, 2020	4.44	
Additions	-	
Accretion of Interest	0.43	
Payments	-0.60	
At March 31, 2021	4.27	
Additions	164.83	
Accretion of Interest	11.13	
Payments	-54.32	
At March 31, 2022	125.91	
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current	80.75	4.08
Non-Current	45.16	0.19

The effective interest rate for lease liabilities is 9.80%.

The following are the amounts recognised in statement of profit and loss:

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	33.83	0.32
Interest expense on lease liabilities	11.13	0.43
Expenses relating to Short-term leases (included in other expenses)	0.27	-
<b>Total amount recognised in profit or loss</b>	<b>45.23</b>	<b>0.75</b>

Below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term

Within one year	59.44	0.60
After one year but not more than five year	92.03	2.40
More than five year	24.30	5.55

**35 CONTINGENT LIABILITIES NOT ACKNOWLEDGED AS DEBT**

Bank has sanctioned bank guarantee upto Rs. 100.00 lakhs (PY - Rs. 100 Lakhs) which is issued in favour of PGVCL (O & A), (

**36 DETAILS OF UTILISATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT OF CONVERTIBLE SHARE WARRANTS**

The Company has completed the process of allotting equity shares against total 11,88,000 convertible warrants issued on preferential basis as per terms and conditions approved by the members on 15th March, 2019. Utilization of the same as at 31.03.2022 is as mentioned below :

Particulars	(₹ in Lacs)		
	To be Utilized as per the objectives	Actual utilisation as per the objectives	Unutilisation amount as on 31st March, 2022 (*)
Long Term and Short Term Working Capital Requirement and to support future business expansions Plans	534.60	414.60	120.00
<b>Total</b>	<b>534.60</b>	<b>414.60</b>	<b>120.00</b>

(\*) Amount unutilized lying in the current account of Indian Overseas bank and fixed deposits of housing Co-operative society. Refer note 7.

37 CSR EXPENDITURE INCURRED DURING THE YEAR	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Gross amount required to be spent by the Company during the year	4.53	4.21
Contribution to trusts/associations for preventive healthcare activities	3.24	4.21
Contribution to trusts/association for animal welfare	0.51	-
Eradication of Hungar in slum area	1.09	-
<b>Total</b>	<b>4.84</b>	<b>4.21</b>

No funds relating to other than identified and ongoing projects are required to be transferred to specified funds.

**Tirupati Forge Limited**  
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

(₹ in Lacs)

38 **FINANCIAL RISK MANAGEMENT**

a Financial Instrument by Category

<b>Financial Assets &amp; Liabilities</b>		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Amortised Cost</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>		
Investment in unquoted equity shares	0.00	0.00
Trade Receivables	1,613.16	463.64
Loans	6.08	3.78
Other Financial Assets	114.83	162.54
Cash and cash equivalent	85.38	11.39
<b>Total Financial Assets</b>	<b>1,819.45</b>	<b>641.35</b>
<b>Financial Liabilities</b>		
Current & Non-Current Borrowings	978.81	756.19
Lease Liabilities	125.91	4.27
Trade payables	1,023.89	424.98
Other Financial Liabilities	2.08	13.10
<b>Total Financial Liabilities</b>	<b>2,130.69</b>	<b>1,198.54</b>

There are no Financial assets and liabilities measured or required to be measured at Fair Value.

b Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprises borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include trade and other receivables, loans and cash and cash equivalents that derive directly from its operations.

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Company seeks to minimize potential adverse effects of these risks on its financial performance and capital. Financial risk activities are identified, measured and managed in accordance with the Company's policies and risk objectives which are summarized below and are reviewed by the senior management.

**Credit Risk**

Credit risk refers to risk of financial loss to the Company if customers or counterparties fail to meet their contractual obligations. The Company is exposed to credit risk from its operating activities (mainly trade receivables)

**Credit Risk Management**

(a) Trade Receivables

Customer credit risk is managed by the respective departments subject to the company's established policies, procedures and controls relating to customer credit risk management. Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in refer note 6. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data, provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

Reconciliation of Provision for Expected Credit Loss – Trade Receivable (₹ in Lacs)

<b>Particulars</b>	<b>Amount</b>
Loss allowance as at 01 April, 2020	-
Addition in loss allowance during the year	4.50
Loss allowance as at 31 March, 2021	4.50
Addition in loss allowance during the year	13.50
Loss allowance as at 31 March, 2022	18.00

(b) Deposits and financial assets (Other than trade receivables):

Credit risk from balances with banks and fixed deposits are managed by the Company's treasury department in accordance with the Company's policy.

**Liquid Risk**

Liquidity risk implies that the Company may not be able to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements.

Additionally, the Company has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Company's fund requirements. The Company endeavours to maintain a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

**Tirupati Forge Limited**  
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

The following are the remaining contractual maturities of financial liabilities at the reporting date

Contractual maturity of financial liabilities	(₹ in Lacs)		
	Upto 1 year	1 Year to 3 year	3 year to 5 year
As at March 31, 2022			
Long Term Borrowings (including current maturities of long term bo	62.06	278.13	61.81
Lease liabilities	45.16	76.48	0.40
Current Borrowings	638.87		
Trade payable	1,023.89		
Other financial liabilities (excluding current maturities of long term	2.08		

**Market Risk**

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely foreign currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Company's income and expense and profit. The Company's exposure to and management of these risks are explained below.

*(a) Foreign currency risk*

The Company operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. The exposure relates primarily to the Company's operating activities (when the revenue or expense is denominated in foreign currency). Majority of the Company's foreign currency transactions are in USD while the rest are in EURO. The major imports are only in respect of capital goods. The risk is measured through forecast of highly probable foreign currency cash flows.

*Open Exposure*

The Company's exposure to foreign currency risk at the end of the reporting period is as

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Receivable	1,379.43	328.83

*Sensitivity analysis*

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables

Impact on Prohit before tax / pre tax equity	(₹ in Lacs)	
	As at March 31, 2021	As at March 31, 2021
USD Sensitivity		
INR/USD – Increase by 5% (Previous year 5%)	68.38	16.44
INR/USD – Increase by 5% (Previous year 5%)	-68.38	-16.44

*(b) Commodity Price Risk*

Commodity price risk results from changes in market prices for raw materials, mainly steel in the form of rounds and billets which forms the largest portion of Company's cost of sale.

The principal raw materials for the Company products are alloy and carbon steel which are purchased by the Company from the approved list of suppliers. Input materials are procured from domestic vendors. Raw material procurement is subject to price negotiation. Further, a significant portion of the Company's volume is sold based on price adjustment mechanism which allows for recovery of the changed raw material cost from its customers.

**39 OTHER NOTES**

a Previous year figures are regrouped/ rearranged wherever necessary.

The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at its estimates.

c There have been no events after the reporting date that require disclosure in these financial statements.

d The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

e The Company has not traded or invested in crypto currency or virtual currency during the financial year.

f The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**40 RATIOS**

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	% of Variation
Current ratio	Current assets	Current liabilities	1.67	1.83	-8.57%
Debt equity ratio	Debt consists of borrowings	Shareholder's Fund	0.41	0.37	12.50%

**Tirupati Forge Limited**  
**Notes forming part of the Profit & loss account for the year ended March 31, 2022**

Debt service coverage ratio (refer note 1 below)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest + Principal repayments	11.34	7.38	53.73%
Return on equity ratio (refer note 2 below)	Profit after tax	Avg. net worth	31.67%	2.37%	1238.23%
Inventory turnover ratio (refer note 3 below)	Cost of goods sold	Average Inventory	6.84	3.78	80.87%
Trade receivables turnover ratio	trade receivables	Revenue from operations	66.73	54.47	22.52%
Trade payables turnover ratio (refer note 4 below)	trade payables	Purchases	42.46	30.50	39.20%
Net capital turnover ratio (refer note 5 below)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	7.85	4.28	83.55%
Net profit ratio (refer note 2 below)	Profit after tax	Revenue from Operations	7.05%	1.28%	450.97%
Return on capital employed (refer note 2 below)	Profit before tax and finance costs	Capital employed = Net worth + Borrowed funds	21.42%	2.99%	617.12%
Return on investments (*)	Income generated from Investments	Average invested funds			

(\*) Not Applicable as company as not made any investments

**Notes:**

- 1 Movement in ratio is attributable to increase in revenue from operations with increase in operating margin and further there is less interest subsidy received compared to last FY hence the ratio of Interest coverage ratio increased in this FY .
- a. Improvement in this ratio is attributable to substantial increase in revenue from operations with increasing operating margin
- b. Further there is change in Sales mix of products sold with higher margin products sold during the FY compared to last FY
- 2 c. There is favourable price variance for products sold and export turnover is also increased by 3.27 times which lead to improvement in ratio drastically.
- d. Fixed cost remains stable as compared to last FY.
- e. There is increase in foreign currency fluctuation gain by 8.37 times.
- 3 Change in this ratio is due to increase in revenue from operations which is nearly 3 times and there is increase in production during the current financial year
- 4 Due to increase in operations, material cost and expenses have increased significantly. Transaction with most of the trade payable have taken place during last month of the FY and are not due for payment as at 31 March, 2022. this ratio has increased compared to previous year
- 5 Improvement in this ratio is attributable to substantial increase in revenue from operations and export turnover is also increased by 3.27 times which lead to improvement in ratio drastically

**41 SEGMENT INFORMATIONS**

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
<b>A. Segment revenue</b>		
Domestic	2,944.50	1,217.94
Export	5,879.10	1,858.98
<b>Total</b>	<b>8,823.61</b>	<b>3,076.92</b>
<b>B. Segment Results</b>		
Domestic	1,457.79	557.19
Export	1,302.79	593.57
<b>Total</b>	<b>2,760.58</b>	<b>1,150.76</b>
<b>C. Less</b>		
Interest	87.60	37.30
Other Un allocable expenditure net off un-allocable income	1,837.77	1,059.06
<b>Total Profit before tax</b>	<b>835.21</b>	<b>54.40</b>
<b>D. Capital Employed</b>		
Domestic	233.71	129.76
Export	963.10	168.74
Unallocated	2,462.97	2,533.93
<b>Total</b>	<b>3,659.79</b>	<b>2,832.43</b>

Segment Revenue comprises of Revenue from operations from forgings and machined components for automotive and industrial sector, and Other Operating Revenues.

Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

**Information about major customers**

Following number of customer represents 10% or more of the Group's total revenue for the years ended March 31, 2022 and 2021, respec

No. of Customers	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Three	4,372.02	
Two	-	1,084.23

**Tirupati Forge Limited**

Note No. 3

**Property, Plant & Equipment**

<u>Particulars</u>	<u>Freehold Land</u>	<u>Building</u>	<u>Plant &amp; Machinery</u>	<u>Laboratory Equipments</u>	<u>Furniture &amp; Fixtures</u>	<u>Office Equipment</u>	<u>Vehicles</u>	<u>Computers</u>	<u>Total</u>
<b>Cost</b>									
As at March 31, 2020	23.42	351.98	1,544.25	3.51	8.00	5.75	45.08	10.64	1,992.64
Additions	-	-	271.09	7.05	0.42	0.34	10.79	2.21	291.90
Disposals	-	-	27.00	-	-	-	-	-	27.00
As at March 31, 2021	23	352	1,788	11	8	6	56	13	2,257.53
Additions	-	-	111.53	1.65	0.70	7.79	27.96	3.88	153.51
Disposals	-	-	22.14	-	-	-	-	-	22.14
As at March 31, 2022	23.42	351.98	1,877.72	12.22	9.12	13.89	83.83	16.72	2,388.90
<b>Depreciation and Impairment</b>									
As at March 31, 2020	-	68.95	572.72	2.34	3.76	4.86	32.30	8.49	693.43
Additions	-	26.89	159.66	0.43	1.15	0.76	4.82	1.34	195.06
Disposals	-	-	16.24	-	-	-	-	-	16.24
As at March 31, 2021	-	95.85	716.14	2.78	4.91	5.62	37.12	9.83	872.25
Additions	-	24.35	163.25	2.32	0.98	2.51	11.70	3.09	208.20
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	120.19	879.40	5.09	5.89	8.13	48.82	12.92	1,080.45
<b>Net Block</b>									
As at March 31, 2021	23.42	256.13	1,072.19	7.79	3.52	0.47	18.74	3.02	<b>1,385.28</b>
As at March 31, 2022	23.42	231.79	998.33	7.13	3.23	5.75	35.00	3.80	<b>1,308.45</b>

(a) The Company has not revalued any property, plant and equipment during the year.

(b) There are no Plant, Property and equipments which are under constructions or production during the current and previous year. Hence there is no delayed and overrun project.

(c) In respect of land taken on lease from related parties on which factory building has been constructed and disclosed as right-of-use assets in the financial statements, the title deeds of immovable properties taken on lease arrangements are in the name of the company.



## ANNUAL REPORT to Shareholders



**Manufacturers & Exporters of Forging Products**

Regd. Office : Survey No.92/1, Nr. Shan Cement, Hadamtala Industrial Area, N.H.27,  
Vill.: Hadamtala, Tal.: Kotda Sangani, Dist: Rajkot- 360 311 – Gujarat.

E-mail.: [info@tirupatiforge.com](mailto:info@tirupatiforge.com) | Contact.: +91 98250 93907  
Web.: [www.tirupatiforge.com](http://www.tirupatiforge.com)