

# **TECHNO FORGE LIMITED**

Annual Report 2019-2020

## DIRECTORS' REPORT

To,  
The Members,  
**Techno Forge Limited**  
Under Corporate Insolvency Resolution Process (“CIRP”)

The Directors are pleased to present the Fortieth Annual Report and the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2020.

Pursuant to order dated 02-07-2020 of the Hon’ble National Company Law Tribunal - Ahmedabad Bench at Ahmedabad (“NCLT Order”), Corporate Insolvency Resolution Process (“CIR Process”) has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, (“the Code”) and related rules and regulations issued there under with effect from 02-07-2020 (Commencement Date of Corporate Insolvency Resolution Process). CA Bhavi Shreyans Shah (IP Registration No: IBBI/IPA-001/IP-00915/2017-18/11521) was appointed as Interim Resolution Professional (“IRP”). The members of the CoC have in their first meeting dated 04-08-2020 continued CA Bhavi Shreyans Shah as Resolution Professional (“RP”) in accordance with section 22 of the Code.

As per Section 17 (1) of the Code,

- (1) From the date of appointment of the interim resolution professional, -
- (a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;
  - (b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;
  - (c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

**In view hereof, Annual General Meeting is being called and convened by the Order of RP.**

The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date and such powers along with the management of affairs of the Company are vested with the RP. In view hereof, Annual General Meeting is being called and convened by the Order of RP.

The RP has relied on the certifications, representations and statements made by the erstwhile management for such period and is signing the Financial Statements solely for the purpose of discharging the powers of the Board of directors which have been conferred upon her by virtue of section 17 of the Code

### 1. FINANCIAL RESULTS

[Rupees in Lacs]

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Total Income	1553.50	1291.17
Increase /( Decrease in stock)	22.44	(118.29)
Expenditure	1404.28	1253.24
Finance Charges	1.36	253.72
<b>Gross Profit after interest but before depreciation and taxation</b>	125.42	(97.50)
Depreciation	118.28	117.89
<b>Profit before provisions and write offs</b>	<b>7.14</b>	<b>(215.39)</b>
<b>Tax Expenses</b>		
Current Tax	0.00	0.00
Deferred Tax	279.30	(19.89)
<b>Profit after tax</b>	<b>(272.16)</b>	<b>(195.50)</b>

Less: Short provision (Income Tax)	0	0
Profit (Loss) for the period	(272.16)	(195.50)
<b>Profit carried to Balance Sheet</b>	<b>(272.16)</b>	<b>(195.50)</b>

## 2. DIVIDEND

Being due to loss for unutilized plant capacity and further in view of ongoing CIR Process, vide order dated 02-07-2020 of Hon'ble NCLT, Ahmedabad Bench, the matter was not considered for the financial year 2019-20.

## 3. OPERATIONS

During the year, the company has achieved sales turnover of Rs. 1553.50 Lacs as compared to previous year of Rs 1291.17 Lacs against projected targets as per CME Data given to Bank. This is due to recession in steel process industries, sales have down due to lack of local and international demand. Further, due to COVID-19 epidemic from March 2020 onwards, there was uncertainty of business and large fearness among business circle, So it effects your company also. Further due to COVID -19, epidemic company has closed down from 22<sup>nd</sup> March, 2020 to 26<sup>th</sup> April, 2020 due to lockdown and there was no production and majority orders are suspended, hold and cancelled by client.

## 4. DIRECTORS

At the ensuing Annual General Meeting, Mr. Arun Kapasi, Director of the Company shall retire by rotation and are being eligible offer themselves for re-appointment.

Shri Hemant V Chheda your Director of the Company has expired on dated 20/10/2019

## 5. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any Public Deposits during the year under review.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Steel Industries under core sector and basic requirement for industrial and country development. Being capital intensive government public expenditure with private partnership is essential.

### a) Industry Structure

Government has to increase IMPORT Duty on Imports of steel and Government projects to be execute immediately, so, Demand will be increase.

### b) Corporate Governance

Being steel process industry is in transmission stage of adoption of international technology, so, cost effective and mass production will be key factor in process industries.

Our company has adopted corporate governance and corporate responsibilities such as no discrimination of cast/sex/religion/culture, conservation of energy, education, training for staff for handling disaster management, human face of economics etc.

### c) Opportunities and Threats

The improvement in the world wide economy has fuelled greater demand for infrastructure developments which have, in turn, led to increase in the steel demand all over the world. India as a major steel producer offers an excellent business opportunity which is expected to continue for some more years to come.

The major threats that affect the performance of the steel industry are often attributed to low steel consumption, higher cost of various inputs, higher transportation cost, cheaper imports of finished products etc.

Your Company has, however, analyzed the trends in the steel industry and rapid development occurring in the world of steel. Strategies are constantly reworked to minimize the adverse implications.

Further due to COVID-19 epidemic, there is uncertainty in Industry, which is considered to be one of threats.

**d) Outlook**

It is expected that the Government would remain committed to development in infrastructure facilities, globalization and carrying out third generation economic reforms which would lead to rise in demand for steel and other related products. Consistent growth in global as well as Indian economy points out to a bright future for the steel and other related industries.

**e) Risks and Concerns:**

Your Company has taken a number of steps with a view to keep its position intact in the market. Your Company has been in constant touch with its valuable Customers and has been attempting to rope in new customers and widen its customer base which will all help the Company when it restarts its operations.

Your Company has also been in touch with major suppliers so that non-availability of any critical inputs on time does not pose any problem in future.

All the fixed and current assets have been insured on the basis of market value (indemnity) and as per expert opinion of an approved valuer, and security has been stepped up at plant premises to safeguard the properties of the Company.

For exports exchange rate risk is very closely monitored and with currencies such as US Dollar and Euro being volatile the company is also forward booking and making options against the exports. However, the total exports of the company are not more than 10% of entire sales.

**f) Adequacy of Internal Control**

The Company has an adequate internal controls system commensurate with its size and the nature of its business.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

**g) Human Resource Development**

Your Company continued to have cordial and harmonious relations with its employees.

**h) Discussion on financial performance with respect to operational performance**

During the year Company registered a turnover of Rs. **1553.50** Lacs as compared to previous year of Rs.1291.17 Lacs.

**7. AUDITORS**

M/s. Mahesh A Mehta and Co, Chartered Accountants, Ankleshwar, is the auditors and have fixed their remuneration.

Management reply to auditor's observation to the Auditors Report:

Minor delay in payment of Excise Duty, Cess, Service Tax, Income Tax, Provident Fund, Employees' State Insurance, and Professional Tax etc will be taken care of in future. Default in repayment of dues to financial institutions was because of slowdown in the business & non recovery of funds from market.

**8. Disclosure under the Companies Act, 2013**

Information given below is pursuant to various disclosures requirements prescribed under the Companies Act, 2013 and the rules made there under, to the extent applicable to the Company. Some of the disclosures have been included in appropriate places in the Corporate Governance Report as prescribed under the SEBI (Listing Obligations and Disclosure Requirements), 2015 (hereinafter SEBI (LODR) Regulations) which is part of the Annual Report.

**a) conservation of energy, technology absorption, foreign exchange earnings and outgo**

**i. Conversion of Fuel**

The Company has invested in press technology instead of hammer to make less pollution and up to par with international standard.

**ii. Foreign Exchange Earning and outgo**

Foreign Exchange expenditure:	Rs. 1,48,264/-
Foreign Exchange earned:	Rs. <u>83,70,435/-</u>

**b) Extract of Annual Return and other Disclosures:**

The Extract of Annual Return in the Form no.MGT 9 as per section 134 (3)(a) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to this report as Annexure I.

**c) Particulars of Loans, Guarantees and Investments :**

During the period under review, your Company has not directly or indirectly –

- I. Given any loan to any person or body corporate other than usual advances envisaged in a contract for supply of materials or equipments or jobs work , if any,
- II. Given any guarantee or provided any security in connection with loan to anybody corporate or any person
- III. Acquired by way of subscription, purchase or otherwise, the securities of anybody corporate

**d) Particulars of contracts or arrangements with related parties:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transaction with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority

As all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis, a FORM AOC- 2 is attached to this report as Annexure II.

- e) **Material Changes and commitments, if any affecting the financial position of the company which have occurred between the end of the Financial year of the Company to which date the financial statements relate and the date of the Report:**

There were no changes occurred between the financial year ended on 31.03.2020 and the date of the Report.

- f) **Adequacy of Internal Financial Controls**

The Company has laid down adequate Internal Financial Controls with reference to Financial Statements, commensurate with its size and nature of business operations.

- g) **Secretarial Audit Report**

Pursuant to the letter dated 11th May, 2018 by the Delisting Committee of BSE Ltd (LIST/COMP/AS/126/2018-19), the committee has delisted the securities of the company.

Further, to note that the provisions of section 204 of the Companies Act, 2013 and the rules made there under are not applicable.

- h) **Corporate Social Responsibility**

The Company has not developed and implemented any Corporate Social responsibility initiatives as the said provisions are not applicable.

## **10. CORPORATE GOVERNANCE**

Pursuant to the letter dated 11th May, 2018 by the Delisting Committee of BSE Ltd (LIST/COMP/AS/126/2018-19), the committee has delisted the securities of the company.

Further, to note that the separate report on Corporate Governance as required under Regulation 34 of the SEBI (LODR) Regulations, 2015 is not applicable.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the Section 134 (3) (c) of the Companies Act, 2013, the Directors state that:

- a. In the preparation of the annual accounts for the year the applicable Accounting Standards have been followed and there are no material departures.
- b. Accounting Policies have been consistently applied. The Directors have 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 on 31st March, 2020 and the profit and loss of the Company for the accounting year ended on that date;
- c. Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions all the applicable laws and that such system were adequate and operating effectively.

### **13. ACKNOWLEDGEMENT**

Suspended Board of Director acknowledges the support received from all its Business Associates, Bankers, depositors, shareholders and other business constituents.

Suspended Board of Director also wish to record their appreciation of the contribution made by employees during this challenging year.

**Regd. Office:  
1022, GIDC Industrial Area,  
Ankleshwar – 393 002  
Date: 07/09/2020**

**By Order of the Resolution Professional,  
For Techno Forge Limited (IN CIRP)**

**Ashok M. Kapasi  
Chairman  
(Suspended Board of Director)  
DIN: 00041185**

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L28910GJ1979PLC003508
2	Registration Date	28-09-1979
3	Name of the Company	TECHNO FORGE LIMITED
4	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
5	Address of the Registered office & contact details	Plot No. 1021, 1022, GIDC Industrial Estate, Ankleshwar, Gujarat- 393002
6	Whether listed company	No (The Company is delisted by BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ingots	720619.9	0
2	Forged langes, Shaft Gear, Pinion etc.	732619.9	20
3	Forged tube and Pipe fitting etc.	730791.9	50
4	Rounds	721410.9	20
5	Scrap	720449	10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
1	—	—	—	
2				
3				

IV. SHARE HOLDING PATTERN								
(Equity share capital breakup as percentage of total equity)								
(i) Category-wise Share Holding								
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>								
<b>(1) Indian</b>								
a) Individual/ HUF	17,43,815	27,530	17,71,345	41.10%	17,43,815	27,530	17,71,345	41.10%
b) Central Govt			-	0.00%	-	-	-	0.00%
c) State Govt(s)			-	0.00%	-	-	-	0.00%
d) Bodies Corp.			-	0.00%	-	-	-	0.00%
e) Banks / FI			-	0.00%	-	-	-	0.00%
f) Any other			-	0.00%	-	-	-	0.00%
<b>Sub Total (A) (1)</b>	<b>17,43,815</b>	<b>27,530</b>	<b>17,71,345</b>	<b>41.10%</b>	<b>17,43,815</b>	<b>27,530</b>	<b>17,71,345</b>	<b>41.10%</b>
<b>(2) Foreign</b>								
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>17,43,815</b>	<b>27,530</b>	<b>17,71,345</b>	<b>41.10%</b>	<b>17,43,815</b>	<b>27,530</b>	<b>17,71,345</b>	<b>41.10%</b>



<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%
<b>2. Non-Institutions</b>								
a) Bodies Corp.								0.00%
i) Indian	14,430	3,200	17,630	0.41%	14430	3,200	17,630	0.41%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%
b) Individuals	-	-	-					
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	334007	16,67,455	20,01,462	46.44%	334007	16,67,455	20,01,462	46.44%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	450423	64,300	5,14,723	11.94%	450423	64,300	5,14,723	11.94%
c) Others (specify)	-	-	-		0	0	-	
Non Resident Indians	3540	-	3,540	0.08%	3540	0	3,540	0.08%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%
Clearing Members	1300	-	1,300	0.03%	1300	0	1,300	0.03%
Trusts	-	-	-	0.00%	0	0	-	0.00%
Foreign Bodies - D R	-	-	-	0.00%	0	0	-	0.00%
<b>Sub-total (B)(2):-</b>	8,03,700	17,34,955	25,38,655	58.90%	8,03,700	17,34,955	25,38,655	58.90%
<b>Total Public (B)</b>	8,03,700	17,34,955	25,38,655	58.90%	8,03,700	17,34,955	25,38,655	58.90%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%
<b>Grand Total (A+B+C)</b>	25,47,515	17,62,485	43,10,000	100.00%	25,47,515	17,62,485	43,10,000	100.00%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	Arun Mansukhlal Kapasi	5,00,005	11.60%	0.00%	5,00,005	11.60%	
2	Hemant Vasanji Chheda	4,99,975	11.60%	0.00%	4,99,975	11.60%	
3	Ashok Mansukhlal Kapasi	6,17,330	14.32%	0.00%	6,17,330	14.32%	
4	Vikaram Ashok Kapasi	66,705	1.55%	0.00%	66,705	1.55%	
5	Akshay Arunkumar Kapasi	38,000	0.88%	0.00%	38,000	0.88%	
6	Akshay Arunkumar Kapasi	21,800	0.51%	0.00%	21,800	0.51%	
7	Vasanji Velji Chheda	17,000	0.39%	0.00%	17,000	0.39%	
8	Maniben Vasunji Chheda	4,700	0.11%	0.00%	4,700	0.11%	
9	Maniben Chheda Vasanji	3,900	0.09%	0.00%	3,900	0.09%	
10	Maniben Vasanji Chheda	1,900	0.04%	0.00%	1,900	0.04%	
11	Hemant Vasanji Chheda	30	0.00%	0.00%	30	0.00%	
		17,71,345	41.09%	0.00%	17,71,345	41.09%	

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	
	At the beginning of the year	01-04-2019		17,71,345	41.09%	17,71,345
	Changes during the year	—		—	0.00%	—
		—		—	0.00%	—
		—		—	0.00%	—
	At the end of the year	31-03-2020		17,71,345	41.09%	17,71,345

Note: There is no change in Promoters' Shareholding during the Financial year.

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

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	
1	PRAVIN CHTRABHUJ					
	At the beginning of the year	01-04-2019	Allot	2,00,817	4.66%	2,00,817
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		2,00,817	4.66%	2,00,817
2	Sunil Dungersi Chavda					
	At the beginning of the year	01-04-2019	Allot	87,845	2.04%	87,845
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		87,845	2.04%	87,845
3	AMIT PRAVIN PAREKH					
	At the beginning of the year	01-04-2019	Allot	57,971	1.35%	57,971
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		57,971	1.35%	57,971
4	AIYER VEERAMANI					
	At the beginning of the year	01-04-2019	Allot	36,800	0.85%	36,800
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		36,800	0.85%	36,800
5	SUSHEELA HARENDRA					
	At the beginning of the year	01-04-2019	Allot	31,400	0.73%	31,400
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		31,400	0.73%	31,400

6	SAURABH SURAKANT					
	At the beginning of the year	01-04-2019	Allot	23,700	0.55%	23,700
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		23,700	0.55%	23,700

7	ANANT JAYNTILAL					
	At the beginning of the year	01-04-2019	Allot	21,990	0.51%	21,990
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		21,990	0.51%	21,990

8	MADHUKAR SHETH					
	At the beginning of the year	01-04-2019	Allot	11,800	0.27%	11,800
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		11,800	0.27%	11,800

9	SATHYA S					
	At the beginning of the year	01-04-2019	Allot	11,700	0.27%	11,700
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		11,700	0.27%	11,700

10	MAYANK SHAH					
	At the beginning of the year	01-04-2019	Allot	11,000	0.26%	11,000
	Changes during the year				0.00%	
	At the end of the year	31-03-2020		11,000	0.26%	11,000

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	No. of shares
1	Ashok Mansukhlal Kapasi					
	At the beginning of the year	01-04-2019		6,17,330	14.32%	6,17,330
	Changes during the year			—	0.00%	—
	At the end of the year	31-03-2020		6,17,330	14.32%	6,17,330
2	Arun Mansukhlal Kapasi					
	At the beginning of the year	01-04-2019		5,00,005	11.60%	5,00,005
	Changes during the year	—		—	0.00%	—
	At the end of the year	31-03-2020		5,00,005	11.60%	5,00,005
3	Hemant Vasanji Chheda					
	At the beginning of the year	01-04-2019		4,99,975	11.60%	4,99,975
	Changes during the year	—		—	—	—
	At the end of the year	31-03-2020		4,99,975	11.60%	4,99,975

**V. INDEBTEDNESS**

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

(Amt. In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18,12,04,145.00	5,12,95,286.00	-	23,24,99,431.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18,12,04,145.00</b>	<b>5,12,95,286.00</b>	<b>-</b>	<b>23,24,99,431.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	2,67,837.00	1,44,86,500.00	-	1,47,54,337.00
Net Change	2,67,837.00	1,44,86,500.00	-	1,47,54,337.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18,09,36,308.00	3,68,08,786.00	-	21,77,45,094.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18,09,36,308.00</b>	<b>3,68,08,786.00</b>	<b>-</b>	<b>21,77,45,094.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Name	Ashok Kapasi	Arun Kapasi
	Designation	Managing Director	Whole Time Director	CEO
1	Gross salary	6,00,000	6,00,000	11,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	NIL		
3	Sweat Equity	NIL		
4	Commission - as % of profit - others, specify	NIL		
5	Others, please specify	NIL		
	<b>Total (A)</b>	<b>6,00,000.00</b>	<b>6,00,000.00</b>	<b>11,40,000.00</b>
	<b>Ceiling as per the Act</b>			

### B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		
	Name			
	Designation			
1	Gross salary	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	-	-	-

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

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

# FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements 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.

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis. - **NONE**

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were at arm's length basis. - **NONE**

## INDEPENDENT AUDITORS' REPORT

To

The Members of  
M/s Techno Forge Ltd  
Under Corporate Insolvency Resolution Process ("CIRP")

### Report on the audit of the financial statements

#### Opinion

We have audited the accompanying financial statements of M/s Techno Forge Ltd, which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('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, 2020, its profit (or Loss)\* and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

#### Material Uncertainty Related to Going Concern

The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets since from 2014.

Further Hon'ble NCLT, AHMEDABAD Bench vide order no C.P. (I.B) No. 264/7/NCLT/AHM /2018, dated 02/07/2020 initiation of Corporate Insolvency Process ("CIRP") and has appointed CA Bhavi Shreyans Shah having Registration No, IBBI/IPA-001/IP-IP-P00915/217-18/11521 as an "Interim Resolution Professional" (IRP). On 2<sup>nd</sup> July 2020 Board of Directors were suspended as per NCLT order and provision of the Insolvency and Bankruptcy Code, 2016, Accordingly, all bank operations and administration goes to under RP supervision.

The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

### **Key audit matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information other than the financial statements and auditors' report thereon**

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

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

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

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

### **Management's responsibility for the financial statements**

Pursuant to order dated 02-07-2020 of the Hon'ble National Company Law Tribunal - Ahmedabad Bench at Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("the Code") and related rules and regulations issued there under with effect from 02-07-2020 (Commencement Date of Corporate Insolvency Resolution Process). CA Bhavi Shreyans Shah (IP Registration No: IBBI/IPA-001/IP-00915/2017-18/11521) was appointed as Interim Resolution Professional ("IRP"). The members of the CoC have in their first meeting dated 04-08-2020 continued CA Bhavi Shreyans Shah as Resolution Professional ("RP") in accordance with section 22 of the Code.

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that



give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management / RP are also responsible for overseeing the Company's Financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 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**

The provisions of the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(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 explanations given to us;

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements list attached to the financial statements;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

List of Litigation		
Sr. No.	Claimant	Claim Amount.
1	BANK OF INDIA Vadodara MID Corporate Branch, Bank Of India Building, 2nd Floor, Raopura, Vadodara-390001	294459663/-
2	Bajaj Finance Ltd, 4th Floor, Bajaj Finserv Corporate Office, off Pune Ahmednagar Road, Viman Nagar, PUNE - 411 014.	2312727/-
3	Standarad Precision Bellows 2/12, G.I.D.C. Estate, Gorva, Vadodara - 390 016	76160/-
4	High Profile Engineers 16, 4th Floor, Building No.A/3, S.No.29/2 +30/2/21 Part, Potnis Parisar, Karve Nagar Pune - 411 052.	88595/-
5	Pavan Hansraj Jain Kirti Metal Corporation Ankleshwar.	87000/-
6	Wikus-Niran Saws 4, Radha, Teli Galli, Andheri (Easte) Mumbai-400059	335386/-
7	C R Supplier Vadodara.	1389073/-
8	Customs,Excise & Service Tax Appellate Tribunal.	311000/-
9	Central Government Industrial Tribunal cum Labour Court	1320356/-
10	BHAILAL KALA KACHELA	120000/-
11	SATYVAN R. KUSHWAHA Boiler Attendance.	470917/-
12	S.E. Investment Ltd.	Loan Amount and Interest Amount fully Paid and the disputed amount ( Rs.2.00 Per Thousand as Damages charges ) Rs. 18,00,000.00

**For, Mahesh A. Mehta & Co.**  
Chartered Accountants

[Mahesh A. Mehta]  
Proprietor  
M.NO.037887  
F.R.NO.105794W

UDIN : (20037887AAAASF3448)  
Place: Ankleshwar  
Date:07/09/2020

### Annexure “A” to the Independent Auditor’s Report\*

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of M/s Techno Forge Ltd of even date)

1.	In respect of the Company’s fixed assets:	
	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
	(c)	According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2.	The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.	
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.	
4.	In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.	
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.	
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.	
7.	In respect of statutory dues:	
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-

		tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.				
		<p>According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable</p> <p>i. Self Assessment Tax for A.Y. 2011-12 of Rs.31.99 Lacs  ii. Self Assessment Tax for A.Y. 2012-13 of Rs. 18.26 Lacs  iii. Self Assessment Tax for A.Y. 2013-14 of Rs. 21.07 Lacs</p>				
	(b)					
	<b>SR.NO</b>	<b>Name of Statutory</b>	<b>Nature of dues</b>	<b>Amount (Rs. in lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
	1	<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>7.06</i>	<i>A.Y. 2007-08</i>	<i>Commissioner of Income Tax (Appeals)</i>
	2	<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>22.31</i>	<i>A.Y. 2010-11</i>	<i>Commissioner of Income Tax (Appeals)</i>
	3	<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>73.81*</i>	<i>A.Y.2011-12</i>	<i>Commissioner of Income Tax (Appeals)</i>
	* Including Self Assessment tax of Rs 31.99/- Lacs as above.					
8	<p>According to the information and explanation given to us and records examined by us, the Company has defaulted in repayment of dues to banks financial institutions and government as detailed in Appendix – I to this report. The Company does not have any dues to debenture holders during the year.  Appendix – I</p> <p>Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has defaulted in repayment of dues to banks and financial Institutions. Unpaid overdue interest and installments to banks interest amount Rs.12,95,06,803/ installment amounts to Rs. 18,09,36,307/- and to financial institutions amounts to Rs.18,03,552/- as on 31<sup>st</sup> March, 2020 including devolved guarantee / letter of credit. The overdue relates to Financial Years 2012-13, 2013-14, 2014-15, 2015-16, 2016-2017 &amp; 2017-2018, 2018-2019, 2019-2020</p>					

9.	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11.	In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For, Mahesh A. Mehta & Co.**  
Chartered Accountants

[Mahesh A. Mehta]  
Proprietor  
M.NO.037887  
F.R.NO.105794W

UDIN : (20037887AAAASF3448)

Place: Ankleshwar  
Date:07/09/2020

## Appendix – I

### Details of default in payment of dues to banks, financial institutions and government

Name of the bank/ Financial Institution	Nature of default	Amount of default	Period of default	Present status
Bank Of India	Unpaid overdue interest and installments	Rs.12,95,06,803	From Years 2012-13 to 2019-20	unpaid
Bank Of India	installment amounts	Rs.18,09,36,307/-	From Years 2012-13 to 2019-20	unpaid
Bajaj Fin Investment	financial institutions	Rs. 18,03,552/-	From Years s2012-13 to 2019-20	unpaid
<b>Total</b>		Rs. 31,22,46,662/-		



## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of M/s Techno Forge Ltd of even date)

### **Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s Techno Forge Ltd as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

The board of directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 auditor’s judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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 of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Mahesh A. Mehta & Co.**

Chartered Accountants

[Mahesh A. Mehta]

Proprietor

M.NO.037887

F.R.NO.105794W

UDIN : (20037887AAAASF3448)

Place: Ankleshwar

Date:07/09/2020



**TECHNO FORGE LIMITED**  
Under Corporate Insolvency Resolution Process ("CIRP")  
**Balance Sheet as at 31.03.2020**

(Amount in Rs.)

Particulars	Note No.	Figures as at the end of current reporting period 31st March 2020	Figures as at the end of previous reporting period 31st March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	43,100,000	43,100,000
(b) Reserves & Surplus	2	-245,378,970	-218,163,265
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term Borrowings	3	35,005,234	49,491,734
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term Liabilities	5	10,971,630	11,363,630
(d) Long-term Provisions	6	6,379,018	6,493,257
<b>4 Current liabilities</b>			
(a) Short-term Borrowings	7	139,883,525	139,883,560
(b) Trade Payables	8	8,410,192	8,622,279
(c) Other Current Liabilities	9	49,525,490	49,319,008
(d) Short-term Provisions	10	134,733,098	135,706,693
<b>TOTAL</b>		<b>182,629,217</b>	<b>225,816,895</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible assets	11	128,787,269	140,303,697
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current Investments	12	18,914	18,914
(c) Deferred tax assets (net)	4	21,684,998	49,614,654
(d) Long Term Loans and Advances	13	1,653,374	1,653,374
(e) Other Non-current assets		-	-
<b>2 Current assets</b>			
(a) Current Investments		-	-
(b) Inventories	14	17,412,655	21,606,011
(c) Trade Receivables	15	5,627,823	5,564,023
(d) Cash and Bank Balances	16	1,512,730	719,551
(e) Short-term Loans and Advances	17	5,931,453	6,336,669
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>182,629,217</b>	<b>225,816,895</b>

As per our Report of even date  
**For Mahesh A Mehta & Co**  
Chartered Accountants  
Registration No. 105871W)  
UDIN:-20037887AAAASF3448

By Order of the Resolution Professional  
Techno Forge Limited (In CIRP)

Ashok M. Kapasi  
Managing Director  
DIN:-00041185

Arun M. Kapasi  
Whole Time Director  
DIN:-00041242

**Proprietor**  
Membership No.: 037887

Place: Ankleshwar  
Date: 07-09-2020

Place: - Ankleshwar  
Date: 07-09-2020

**Taken on Record by Resolution Professional**

CA Bhavi Shreyans Shah,  
IP Reg. No: IBB/IPA-001/IP-P00915/2017-18/11521

Date: 24-10-2020  
Place: - Ahmedabad

**TECHNO FORGE LIMITED**  
**Under Corporate Insolvency Resolution Process ("CIRP")**  
**Statement of Profit & Loss for the year ended 31st March 2020**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I. Revenue from Operations	18	154,567,050	126,080,025
II. Other Income	19	783,084	3,036,891
<b>III. Total Revenue (I + II)</b>		<b>155,350,133</b>	<b>129,116,916</b>
IV. <b>Expenses:</b>			
Cost of Raw Material Consumed	20	84,360,918	74,588,987
Purchases of Stock-in-Trade	21	-	-
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	21	2,244,043	(11,828,961)
Employee Benefits Expenses	22	13,128,804	12,834,409
Other Expenses	25	42,938,287	37,900,740
<b>Total expenses</b>		<b>142,672,052</b>	<b>113,495,175</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>12,678,082</b>	<b>15,621,741</b>
VI. Finance Cost	23	136,087	25,371,931
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>12,541,994</b>	<b>(9,750,190)</b>
VIII. Depreciation and Amortization Expenses	24	11,828,042	11,789,142
<b>IX. Profit before tax (VII- VIII)</b>		<b>713,952</b>	<b>(21,539,332)</b>
X <b>Tax expense:</b>			
(1) Current tax	12	-	-
(2) Deferred tax	12	27,929,657	(1,989,009)
<b>XI Profit (Loss) for the period from continuing operations (IX - X)</b>		<b>(27,215,705)</b>	<b>(19,550,323)</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>Less: Short Provision for Income Tax</b>		<b>-</b>	<b>-</b>
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<b>(27,215,705)</b>	<b>(19,550,323)</b>
XVI Earnings per equity share:			
(1) Basic		(6.31)	(4.54)
(2) Diluted		(6.06)	(4.35)

As per our Report of even date  
**For Mahesh A Mehta & Co**  
**Chartered Accountants**  
Registration No. 105871W)  
UDIN:-20037887AAAASF3448

**By Order of the Resolution Professional**  
**Techno Forge Limited (In CIRP)**

Ashok M. Kapasi  
Managing Director  
DIN:-00041185

Arun M. Kapasi  
Whole Time Director  
DIN:-00041242

**Proprietor**  
**Membership No.: 037887**

Place: Ankleshwar  
Date: 07-09-2020

Place: - Ankleshwar  
Date: 07-09-2020

**Taken on Record by Resolution Professional**

CA Bhavi Shreyans Shah,  
IP Reg. No: IBBI/IPA-001/IP-P00915/2017-18/11521

Date: - 24-10-2020  
Place: - Ahmedabad

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 1 Share Capital**

Share Capital	For the year ended 31st March 2020		For the year ended 31st March 2019	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	8,000,000	80,000,000	8,000,000	80,000,000
<b>Issued</b>				
Equity Shares of ₹ 10/- each	4,310,000	43,100,000	4,310,000	43,100,000
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of ₹ 10/- each Fully Paid up	4,310,000	43,100,000	4,310,000	43,100,000
<b>Total</b>	<b>4,310,000</b>	<b>43,100,000</b>	<b>4,310,000</b>	<b>43,100,000</b>

**Note 1a Name of Shareholders holding more than 5% of total Share Capital**

Particulars	For the year ended 31st March 2020		For the year ended 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ashok M. Kapasi	617,330	14.32%	617,330	14.32%
Mr. Arun M. Kapasi	500,005	11.60%	500,005	11.60%
Mr. Hemant V. Chheda	500,005	11.60%	500,005	11.60%

**Note 1b (a) Rights, preferences and restrictions attached to share**

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors subject to the approval of the shareholders in the ensuing Annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Note 1c The Reconciliation of the number of shares outstanding**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	No. of Shares	No. of shares
Equity Shares at the beginning of the year	4,310,000	4,310,000
Add: Shares issued on Preferential basis	-	-
Equity Shares at the end of the year	<b>4,310,000</b>	<b>4,310,000</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note. Reserves & Surplus**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	-	-
<b>Capital Reserve</b>		
Opening Balance	1,083,500	1,083,500
Add: Transfer during the year	-	-
Less: Writeen Back during the year	-	-
Closing Balance	1,083,500	1,083,500
<b>Revaluation Reserve</b>		
Opening Balance	3,233,875	3,233,875
Less : Set off against loss on sale of Staff Quarter	-	-
Less: Transfer to General Reserves of Land	-	-
Less: Writeen Back during the year	-	-
Closing Balance	3,233,875	3,233,875
<b>General Reserve</b>		
Opening Balance	1,668,226	1,668,226
Add: Transfer during the year	-	-
Less: Writeen Back during the year	-	-
Closing Balance	1,668,226	1,668,226
<b>Securities Premium</b>		
Opening Balance	2,272,200	2,272,200
Add: Receipt on issue of share on preferntial basis	-	-
Less: Writeen Back during the year	-	-
Closing Balance	2,272,200	2,272,200
<b>Surplus</b>		
Opening Balance	(226,421,066)	(206,870,744)
Add: Net Profit For the current year	(27,215,705)	(19,550,322)
Closing Balance	(253,636,771)	(226,421,066)
<b>Total</b>	<b>(245,378,970)</b>	<b>(218,163,265)</b>

***TECHNO FORGE LIMITED***  
***Notes for the year ending 31st March 2020***

**Note 3 Long-term Borrowings**

Particulars	For the year ended 31st March- 2020	For the year ended 31st March 2019
<b><u>Borrowing from Directors</u></b>		
Mr. Ashok M. Kapasi	22,943,978	31,180,478
Mr. Arun M. Kapasi	10,981,257	17,231,257
Mr. Hemant V Chheda	1,080,000	1,080,000
(B)	35,005,234	49,491,734
<b>Total</b>	<b>35,005,234</b>	<b>49,491,734</b>

***TECHNO FORGE LIMITED***  
***Notes for the year ending 31st March 2020***

**Note 3a Term Loans from Bank of India**

The Term loan is secured against -

1. Secured By Hypothication of Machinery, Stock & Book debts, Mortgage of Land & Building.  
Out of the above.
2. Mortgage of 2 plots viz. 1021 & 1022 located at GIDC, Ankleshwar in the name of Company.
3. Equitable mortgage of Flat no. B/4, Nand Society, Vadodra.
4. Equitable mortgage of Quarters (4 Flats) located at GIDC Industrial Estate, Ankleshwar, Bharuch.



**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 5 Other Long term Liabilities**

Particulars	As at 31 March 2020	As at 31 March 2019
	\	\
Payable For Capital Goods	266,113	656,853
Payable for Expenses	7,470,346	6,719,025
Trade Payable	3,235,171	3,987,752
<b>Total</b>	<b>10,971,630</b>	<b>11,363,630</b>

**Note 6 Long-term Provisions**

Particulars	As at 31 March 2020	As at 31 March 2019
	\	\
Provision for Income Tax	6,379,018	6,493,257
<b>Total</b>	<b>6,379,018</b>	<b>6,493,257</b>

Provision for Tax	Current Year	Previous Year
<b>Provision for Tax</b>		
Provision for Taxation (AY 2007-2008)	-	-
Provision for Taxation (AY 2010-2011)	1,930,000	1,930,000
Provision for Taxation (AY 2011-2012)	3,500,000	3,500,000
Provision for Taxation (AY 2012-2013)	3,200,000	3,200,000
Provision for Taxation (AY 2013-2014)	2,500,000	2,500,000
Provision for Taxation (AY 2014-2015)	-	-
Provision for Taxation (AY 2015-2016)	-	-
<b>Sub Total</b>	<b>11,130,000</b>	<b>11,130,000</b>
<b>Less: Advance Taxes Paid</b>		
Advance Tax A.Y. 2010-2011	1,959,921	1,959,921
T.D.S. (A.Y. 2010-2011 )	68,693	68,693
Advance Tax A.Y. 2011-2012	960,000	960,000
T.D.S. (A.Y. 2011-2012 )	21,883	21,883
T.D.S.(A-Y 2008-09)	132,331	132,331
T.D.S.( A-Y.2007-2008)	-	-
T.C.S. ( A- Y. 2011-2012 )	72,122	72,122
T.C.S. 1.120%	17,500	17,500
T.C.S. ( A- Y. 2007-2008 )	-	-
T.C.S. ( A- Y. 2012-2013 )	184,127	184,127
T.C.S. ( A- Y. 2013-2014 )	11,232	11,232
T.D.S. (A.Y. 2012-2013 )	98,602	98,602
T.D.S. (A.Y. 2013-2014 )	135,615	135,615
T.D.S. (A.Y. 2014-2015 )	332,518	332,518
T.D.S. (A.Y. 2015-2016 )	210,619	210,619
T.D.S. (A.Y. 2016-2017 )	114,491	114,491
T.D.S. (A.Y. 2017-2018 )	83,166	83,166
T.D.S. (A.Y. 2018-2019 )	60,516	60,516
T.D.S. (A.Y. 2019-2020 )	173,407	173,407
T.D.S. (A.Y. 2020-2021 )	114,239	-
<b>Sub Total</b>	<b>4,750,982</b>	<b>4,636,743</b>
<b>Total</b>	<b>6,379,018</b>	<b>6,493,257</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 7 Short-term Borrowings**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	-	-
<b>Secured</b>		
<b>From Banks</b>		
(i) Working Capital facilities from Bank of India	134,751,960	134,751,995
(ii) Working Capital facilities from Bank of India (Secured against Stocks and Book Debts)	5,131,565	5,131,565
<b>Total</b>	<b>139,883,525</b>	<b>139,883,560</b>

**Note 8 Trade Payables**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Trade Payable for Fixed Assets	-	
Trade Payables for Raw Material	4,892,005	6,647,340
Trade Payables to Others	3,518,187	1,974,939
<b>Total</b>	<b>8,410,192</b>	<b>8,622,279</b>

**Note 9 Other Current Liabilities**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>a. Current Maturities of Long-term Debts</b>		
<b>Secured</b>		
<b>From Bank of India</b>		
1. Term Loan (251665410000011)	21,943,691	21,943,691
2. Term Loan (251665410000024)	19,109,092	19,109,092
<b>From TATA Capital Limited</b>		
1. Term Loan - II	-	267,802
<b>Unsecured</b>		
From Bajaj Finance Limited	1,803,552	1,803,552
<b>c. Other Payables</b>		
-Statutory Provisions	179,882	118,543
-Advance from Customers	6,489,273	6,076,329
<b>Total</b>	<b>49,525,490</b>	<b>49,319,008</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 10 Short-term Provisions**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	1,805,226	957,025
PF Payable	57,697	776,876
Gratuity	2,063,763	2,903,749
Bonus Payable	6,365	6,365
Contribution to ESIC	277,494	293,863
<b>(b) Others</b>		
Provision for Expenses	613,000	787,269
Professional Tax Payable	402,750	390,310
Provision for Interest	129,506,803	129,506,803
Interest Payable on TDS	-	48,309
GST payable on reverse charges on GTA	-	36,124
<b>Total</b>	<b>134,733,098</b>	<b>135,706,693</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 12 Non-current Investments**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Investments in Equity Instruments</b>		
Shares of Bombay Mercantile Co. Op. Bank Ltd. (333 Shares Purchased at Rs. 33. Face Value Rs. 30 Market Value 350 )	10,910	10,910
Shares of Jankalyan Co. Op. Bank Ltd. (10 Shares Purchased at Rs. 550. Face Value Rs. 10 Market Value 500 )	5,504	5,504
KCCB 100 nos shares @25	2,500	2,500
<b>Total</b>	<b>18,914</b>	<b>18,914</b>

**Note 13 Long Term Loans and Advances**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Security Deposits</b> (Unsecured, considered good)	1,653,374	1,653,374
<b>Total</b>	<b>1,653,374</b>	<b>1,653,374</b>

**Note 14 Inventories**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Raw material	2,871,245	4,820,558
Work in Progress & Finished Stock ( As certified by the Management)	14,541,410	16,785,453
<b>Total</b>	<b>17,412,655</b>	<b>21,606,011</b>

**Note 15 Trade Receivables**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Trade receivables outstanding for a period less than six months <a href="#">from the date they are due for payment</a> (Unsecured, considered good)	889,069	1,523,614
Trade receivables outstanding for a period exceeding six months <a href="#">from the date they are due for payment</a> (Unsecured, Considered good)	4,738,754	4,040,409
<b>Total</b>	<b>5,627,823</b>	<b>5,564,023</b>

**TECHNO FORGE LIMITED**

Notes for the year ending 31st March 2020

**Note 11 Fixed Assets**

Particulars	RATE(%)	Opening Balance	Addition during the year	Deduction during the year	Closing Balance	Depreciation as on 01.04.2019	Depreciation on disposals	Depreciation During the Year	Depreciation up To 31.03.2020	Closing Balance	Closing Balance
		As on 01.04.2019			As on 31.03.2020					As on 31.03.2020	As on 31.03.2019
Land	0.00%	3,780,000	-	-	3,780,000	-	-	-	-	3,780,000	3,780,000
Factory Building	3.34%	33,833,838	194,025	-	34,027,863	12,057,256	-	1,134,469	13,191,725	20,836,138	21,776,582
Plant & machinery	4.75%	208,037,654	-	-	208,037,654	107,022,042	-	9,908,862	116,930,904	91,106,750	101,015,612
Captive Power Plant	5.28%	14,818,297	-	-	14,818,297	8,633,642	-	-	8,633,642	6,184,655	6,184,655
Weighing Scale	4.75%	19,944	-	-	19,944	19,944	-	-	19,944	0	0
Furniture & Fixture	6.33%	2,091,225	-	-	2,091,225	1,731,449	-	132,737	1,864,186	227,038	359,776
Office Equipment	6.33%	1,527,003	86,655	-	1,613,658	1,492,819	-	99,830	1,592,649	21,009	34,184
Electric Installation	4.75%	9,299,615	-	-	9,299,615	3,318,908	-	442,942	3,761,850	5,537,765	5,980,707
Vehicles	9.50%	1,019,228	-	-	1,019,228	1,019,228	-	-	1,019,228	-	-
Employees Quarters	1.63%	401,196	-	-	401,196	67,524	-	6,539	74,063	327,133	333,672
Testing & Lab Equipment	4.75%	1,873,451	-	-	1,873,451	1,101,822	-	89,233	1,191,055	682,396	771,629
Computer & Software	16.21%	696,915	17,375	-	714,290	671,991	-	7,213	679,204	35,086	24,924
Printer	6.33%	95,305	13,559	-	108,864	53,349	-	6,217	59,566	49,298	41,956
<b>Total</b>		<b>277,493,671</b>	<b>311,614</b>	<b>-</b>	<b>277,805,285</b>	<b>137,189,974</b>	<b>-</b>	<b>11,828,042</b>	<b>149,018,016</b>	<b>128,787,269</b>	<b>140,303,697</b>
<b>Previous Year</b>		<b>277,491,044</b>	<b>2,627</b>	<b>-</b>	<b>277,493,671</b>	<b>125,400,831</b>	<b>-</b>	<b>11,789,142</b>	<b>137,189,974</b>	<b>140,303,697</b>	<b>152,090,213</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 16 Cash and Bank Balances**

Cash and Bank Balances	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>1. Cash and Cash Equivalents</b>		
<b>a. Balances with banks</b>		
in Current Accounts	1,022,057	212,274
<b>b. Cash on hand</b>		
Cash on hand	13,634	63,086
<b>2. Other Bank Balances</b>		
Earmarked Fixed Deposits for Margin Money (with maturity more than 3 months but less than 12 months) (above FD are under lien for overdraft and buyer's credit facilities)	477,039	444,191
<b>Total</b>	<b>1,512,730</b>	<b>719,551</b>

**Note 17 Short-term Loans and Advances**

Short-term loans and advances	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Others Loans and Advances</b> (Unsecured and Considered Good)		
Advances to others	5,679,109	5,927,107
Advances for Expenditures	2,314	6,270
Advances to Supplier for Raw Material	250,029	403,292
Advances to Supplier for Capital Goods	-	-
<b>Total (a + b)</b>	<b>5,931,453</b>	<b>6,336,669</b>

<b>LOANS &amp; ADVANCES</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Excise Duty & Edu Cess Receivable	171,012	171,012
VAT receivable 2014-2015	1,500,000	1,500,000
VAT receivable 2017-2018	1,150,000	1,150,000
GST Balance	478,312	695,193
IGST Receivable on export sales	340,354	340,354
TDS Reimbursement	95,676	95,676
Draw back receivable 2019-20	130,459	-
Draw back receivable	558,227	558,227
Draw back receivable 2018-19	143,502	148,336
Prepaid Insurance	69,583	69,088
Deposit Against Excise Assessment for SCSTAT AHMED	500,037	500,037
Excise Duty For cegat Matter deposit	73,965	73,965
Interest Receivable From DGVCL	124,100	118,591
Ranjeet Padhiar	10,000	10,000
Excise deposit for SCSTAT	-	63,234
Mangal Keshavbhai Vaghela	20,000	70,000
DGVCL	47,124	47,124
Prepaid Expnces	221,259	19,270
Ramesh Ch.Sahoo	20,000	70,000
Pramod D Mahajan	2,500	5,000
Yakub M Tailor	-	150,000
Balkrishna Shreedeb Jha	-	15,000
Basanta Kumar Pradhan	-	10,000
Jashvant Bhai N Vyas	23,000	47,000
<b>TOTAL</b>	<b>5,679,109</b>	<b>5,927,107</b>

**TECHNO FORGE LIMITED**  
**Notes for the year ending 31st March 2020**

**Note 18 Revenue from Operations**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	-	-
<b>Sale of products</b>		
-Domestic Sales	137,667,190	108,870,392
-Export Sales	8,377,344	8,094,618
-Sales to SEZ	1,877,893	
<b>Income from Job Work</b>	5,956,386	7,868,805
<b>Other operating revenues (Note 18a)</b>	688,237	1,246,210
	-	-
<b>Total</b>	<b>154,567,050</b>	<b>126,080,025</b>

**Note 18a Other Operating Income**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	-	-
cutting charges	-	76,000
Drilling Charges	-	37,362
Loading Charges	4,500	145
Packing & Forwarding Charges	480,602	721,105
Testing Fees	203,135	411,598
<b>Total</b>	<b>688,237</b>	<b>1,246,210</b>

**Note 19 Other Income**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	-	-
Interest Income	170,651	172,760
Foreign Exchange Gain	114,073	5,782
Other non-operating Income ( draw back )	141,732	151,835
Discount and rate diff	-	26,253
KCCB Dividend	375	375
Freight charges Income	-	59,007
Sundry Balance Write Back	-	2,620,879
Advance forfeited	356,252	-
<b>Total</b>	<b>783,084</b>	<b>3,036,891</b>

**TECHNO FORGE LIMITED**

*Notes for the year ending 31st March 2020*

**Note 20 Cost of Raw Material Consumed**

Particulars	For the year ended 31	For the year ended 31
	March 2020	March 2019
	-	-
Opening Stock of Raw Material	4,820,558	3,254,215
<b>Add :</b>		
Purchase of Raw Material	82,411,605	76,155,330
<b>Less :</b>		
Closing Stock of Raw Material	2,871,245	4,820,558
<b>Total</b>	<b>84,360,918</b>	<b>74,588,987</b>

**Note 21 Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade**

Particulars	For the year ended 31	For the year ended 31
	March 2020	March 2019
	-	-
<b>Closing Stock</b>		
-Work-in-process	13,197,285	16,119,521
-Store & Spares	1,344,125	665,932
(A)	14,541,410	16,785,453
<b>Less: Opening Stock</b>		
-Work-in-process	16,119,521	4,071,420
-Store & Spares	665,932	885,072
(B)	16,785,453	4,956,492
<b>Total</b>	<b>2,244,043</b>	<b>(11,828,961)</b>

**Note 22 Employee Benefits Expenses**

Particulars	For the year ended 31	For the year ended 31
	March 2020	March 2019
	-	-
(a) Salaries and incentives	9,891,039	9,038,483
(b) ITI Trainee Fee	237,065	-
(c) Bonus	702,372	970,613
(d) Contributions to -		
(i) Provident fund	357,142	352,461
(ii) ESIC	258,345	306,629
(iii) Labour Welfare Fund	804	1,323
(e) Gratuity CURRENT YEAR	235,000	238,900
EXCESS GRATUITY PROVISION REVERSE	(892,963)	
(f) Director Remuneration	1,200,000	1,926,000
(g) SALARY FOR ADMINISTRATION	1,140,000	-
<b>Total</b>	<b>13,128,804</b>	<b>12,834,409</b>

**Note 23 Finance Cost**

Particulars	For the year ended 31	For the year ended 31
	March 2020	March 2019
	-	-
Interest expense	136,087	25,313,129
Other borrowing costs	-	58,802
<b>Total</b>	<b>136,087</b>	<b>25,371,931</b>

**Note 24 Depreciation and Amortisation expenses**

Particulars	For the year ended 31	For the year ended 31
	March 2020	March 2019
	-	-
Depreciation and Amortisation expenses (See Note 11)	11,828,042	11,789,142
Less: Transfer from revaluation reserve	-	-
<b>Total</b>	<b>11,828,042</b>	<b>11,789,142</b>

**TECHNO FORGE LIMITED**  
Notes for the year ending 31st March 2020

**Other Expenses**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(i) Manufacturing Expenses</b>		
Electricity Expenses	3,731,256	3,641,913
drilling charges	445,831	67,500
Forging Charges	7,430,125	4,549,972
Machining charges	2,323,207	2,002,521
Normalizing charges/Solution annealing Charges	114,138	919,210
Oil & Lubricants	15,252,694	14,598,219
Repairs & Maintenance	2,081,612	1,781,973
Stores & Spares	2,096,825	1,515,749
Testing Charges	845,956	694,963
Water Charges	226,173	126,739
Weighting Charges	44,250	13,620
<b>Sub Total (i)</b>	<b>34,592,067</b>	<b>29,912,379</b>
<b>(ii) Office &amp; Administrative Expenditure</b>		
Application Fee	-	5,000
BANK NCLT Fee	-	131,500
Audit Fee	46,665	-
Bank Charges	-	76,811
Exp for travelling	-	881,859
Conveyance Expences	66,057	112,004
Consulting chares	34,000	-
Debts recovery/Tribunal II	-	150,000
Certification Expences	3,170	-
Drainage Expences	-	2,121
Electric Expences	237,778	159,190
General Office expenses	971,932	827,801
GST Late filling Fee	-	350
Inspection charges	-	15,200
Income Tax Appeal Filling Fee	-	1,500
Interest on late Payment	-	288,242
Insurance Charges	77,655	66,362
Legal & Professional Fees	565,025	886,970
Repairing ( EDP Expences )	10,800	-
Factory Building Repairing	265,962	-
Notified Area Tax	414,756	387,375
Subscription Fee	-	23,000
Security Charges	548,917	339,166
Postage & Telegram	58,671	13,139
Printing & Stationery	65,173	44,147
O & M Charges	-	2,384
Rent	197,500	45,000
Telephone & Call Charges	43,971	46,608
Travelling Expences	588,654	1,216,023
<b>Sub Total (ii)</b>	<b>4,196,686</b>	<b>5,721,753</b>
<b>(iii) Selling &amp; Distribution Expenditure</b>		
Clearing & Forwarding Charges	215,847	133,616
Discount & Rate Difference	1,593	-
Swift charges	67,187	17,369
Custom Duty on Import	28,925	-
Freight inward	1,525,596	1,117,989
Freight outward	323,127	83,990
GST on GTA OUTWARD FREIGHT	11,775	4,202
Late delivery charges	-	140,592
Sundry Balance Writen off	-	120,728
Packing Expenses	622,578	648,122
EXCISE DUTY PAID IN SVBRL	63,234	-
<b>Sub Total (iii)</b>	<b>2,859,862</b>	<b>2,266,608</b>
<b>(iv) Disallowances expences</b>		
INCOME TAX OFFICE TDS BHARUCH DEMAND U/S 234E	622,558	-
INTEREST ON LATE PAYMENT	389,625	-
LATE PAYMENT INTEREST ON PF	70,244	-
TDS INTEREST FOR LATE PAYMENT	207,245	-
<b>Sub Total (iv)</b>	<b>1,289,672</b>	<b>-</b>
<b>Grand Total (i+ii+iii+iv)</b>	<b>42,938,287</b>	<b>37,900,740</b>



<b>TECHNO FORGE LIMITED</b>		
Under Corporate Insolvency Resolution Process ("CIRP")		
<i>Cash Flow Statement for the year ended 31st March 2020</i>		
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b><u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>		
Net Profit / (Loss) before extraordinary items and Tax	713,952	(21,539,332)
<b><u>Adjustments for non cash expenses and Item shown separately:</u></b>		
Depreciation and Amotisation Expenses	11,828,042	11,789,142
Loss on Sale of Fixed Assets	-	-
Transferred from Revaluation Reserve	-	-
Interest Income	(170,651)	(172,760)
Interest Expense	136,087	25,313,129
Trade receivables Written off	-	(2,620,879)
<b>Operating Profit before Working Capital Changes</b>	<b>(A) 12,507,431</b>	<b>12,769,300</b>
<b>Adjusted for (increase) / decrease in operating assets</b>		
Trade Receivables	(63,800)	3,274,690
Inventories	4,193,356	(13,395,304)
Short Term Loans & Advances	405,216	1,655,567
Long Term Loans & Advances	0	28,000
<b>Adjusted for increase / (decrease) in operating liabilities</b>		
Trade Payables & Other Liabilities	(5,605)	3,461,038
Short Term Provisions	(973,595)	25,571,199
Other Long Term Liabilities	(506,238)	(5,733,467)
	<b>(B) 3,049,335</b>	<b>14,861,721</b>
<b>Cash Generated from Operations (A+B) =</b>	<b>(C) 15,556,766</b>	<b>27,631,021</b>
Extra-ordinary items & write off	-	-
<b>Net Cash from Operating Activities ( C - D ) =</b>	<b>(E) 15,556,766</b>	<b>27,631,021</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Fixed Assets	(311,614)	(2,627)
Sale on Fixed Asset	-	-
Interest Income	170,651	172,760
<b>Net Cash from Investing Activities</b>	<b>(F) (140,963)</b>	<b>170,133</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Share Application money	-	-
Long Term Borrowing -- Secured	-	-
Long Term Borrowing -- Unsecured	-	-
Long Term Borrowing -- Loan From Director	(14,486,500)	(3,155,765)
Short Term Borrowing -- Cash Credits	(35)	210,842
Interest Expense	(136,087)	(25,313,129)
<b>Net Cash from Financing Activities</b>	<b>(G) (14,622,623)</b>	<b>(28,258,051)</b>
Net Increase in Cash & Cash Equivalents	793,180	(456,897)
Cash & Cash Equivalents at beginning of the period	719,551	1,176,447
<b>Cash &amp; Cash Equivalents at end of the period</b>	<b>1,512,732</b>	<b>719,551</b>
As per our Report of even date		
<b>For Mahesh A Mehta &amp; Co</b>		<b>By Order of the Resolution Professional</b>
Chartered Accountants		<b>Techno Forge Limited (In CIRP)</b>
Registration No. 105871W)		
UDIN:-20037887AAAASF3448		
	Ashok M. Kapasi	Arun M. Kapasi
Proprietor	Managing Director	Whole Time Director
Membership No.: 037887	DIN:-00041185	DIN:-00041242
Place: Ankleshwar		Place: - Ankleshwar
Date: 07-09-2020		Date: 07-09-2020
<b>Taken on Record by Resolution Professional</b>		
CA Bhavi Shreyans Shah,		
IP Reg. No: IBBI/PA-001/IP-P00915/2017-18/11521		
Date: - 24-10-2020		
Place: - Ahmedabad		

# **TECHNO FORGE LIMITED**

Under Corporate Insolvency Resolution Process (“CIRP”)

**NOTE 26 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH, 2020**

## **1. Basis of Preparation of Financial Statements**

- a. The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.
- b. The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India. The financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.
- c. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities except as in the opinion of management, the term loans obtained from below mentioned bank/Financial institutions are in last stage of settlement and therefore are considered as current and shown under other current liabilities,

<u>A. Bajaj Finance Limited</u>	<u>Rs. 18,03,552.00</u>
<b><u>Total</u></b>	<b><u>Rs. 18,03,552.00</u></b>

- d. In the opinion of the Management, the Current Assets, Loans & Advances approximately are of the value stated if realized in the ordinary course of business.

## **2. Use of Estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

### **NPA Classification - Bank Default:**

In the Month of July 2014 the loan account of Techno Forge Ltd. was classified as a Non-Performing Asset (NPA) by the lending bank and interest on outstanding amount was not levied both on Term loan and the overdraft account. The company has not made any provision for either interest nor Penal interest or likely concessions to be given by the bank at the time of restructuring. The Hon’ble Ahmedabad Bench of NCLT, in C.P. (I.B) No. 264/NCLT/AHM/2018 have admitted as on 2nd July, 2020, the initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, Techno Forge Limited. By the same order, they have appointed CA Bhavi Shreyans Shah as Interim Resolution Professional (IRP). The members of the CoC have in their first meeting dated 04.08.2020 continued CA Bhavi Shreyans Shah as Resolution Professional (“RP”) in accordance with section 22 of the Code.

In view of the above the powers of the Board of Directors suspended and the management of the affairs of the corporate debtor shall vest with the IRP/RP.

### 3. **Revenue Recognition**

The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured. The amount recognized as income is exclusive of Excise Duty, VAT , GST and net of trade discounts. Materials returned/rejected are accounted as purchases in the year of return/rejection.

#### *a. Sales*

- i. Domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on dispatch from the point of sale, consequent to property in goods being transferred.
- ii. Export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on the basis of dates of Bill of Lading.

#### *b. Export incentives*

Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.

#### *c. Interest income*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### *d. Job Work*

Income from job charges billed at the time of when the goods are delivered to the customer.

#### *e. Government Subsidy*

The amount of Capital and Revenue subsidy is recognized when it can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured.

#### *f. Insurance Claims*

Insurance claims are recognized as and when they are received from the Insurance Companies.

### 4. **Fixed Assets & Depreciation:**

#### *a. Fixed Assets – Tangibles*

Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

#### *b. Depreciation*

Depreciation on tangible assets has been provided on Straight Line method (SLM) at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions of assets during the year is provided on pro-rata basis.

### 5. **Investments:**

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Long-term investments are carried at cost. However, provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

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

## **6. INVENTORIES**

Inventory consists of Raw material, Work in Progress and Finished Goods.

### **a. *Cost***

Cost of Inventories comprise of cost of Purchase, cost of conversion other cost including manufacturing overheads incurred in bringing them to their respective present location & condition. Cost of Raw Materials, Stores & spares are determined at cost.

Work- in- Progress are valued at cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and conditions.

## **7. Retirement Benefits:**

Expenses & liabilities in respect of employee benefits are recorded in accordance with the Revised Accounting Standard (AS)-15 –Employee Benefits (revised 2005) –

### **a. *Short term employee benefits***

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of profit and loss in the period in which such services are rendered.

### **b. *Post-employment benefits***

#### ***Defined contribution plan:***

The Company's contribution paid / payable under the recognized provident fund scheme and the employees' state insurance contribution are recognized as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

#### ***Defined benefit plan:***

Post Employee Benefit and other long term Employee Benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. Provision has been made for liability in respect of gratuity to employees based on the actuarial valuation carried out in the previous year.

### **c. *Other long-term employee benefits***

The company has not provided any leave encashment / salary to the employees as the employees fully utilizes their leaves during the year.

## **8. Taxes On Income**

### **a. *Current Tax***

Provision for current tax is recognized in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

**b. Minimum Alternative Tax Credit**

Minimum Alternative Tax ('MAT') credit is recognized only to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. MAT credit entitlement is reviewed as at each Balance sheet date and written down to the extent there is no longer convincing evidence that the Company will pay normal income tax during the specified period.

**c. Deferred Taxation**

Deferred Tax is recognized, subject to the consideration of prudence and virtual certainty for deferred tax assets, on timing difference between taxable income and accounting income that originate in one year and are capable of reversal income and more subsequent years. Deferred Tax assets and liabilities are measured using the tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred Tax Assets includes unabsorbed tax depreciation/carried forward losses, which is recognized to the extent it can be realized against the reversal of Deferred tax liability on account of depreciation. In the current year no addition to Deferred Tax Assets is being made as there is no reasonable certainty in earning taxable profit.

<i>Particulars</i>	<i>For the year ended 31<sup>st</sup> March 2020</i>	<i>For the year ended 31<sup>st</sup> March 2019</i>
<b>Opening Balance</b>	<b>49614654</b>	<b>47625629</b>
<b>Add: Deferred Tax Liability Due to</b>		
i. Depreciation	(20966807)	(25134732)
<b>Less: Deferred Tax Assets Due to</b>		
i. Gratuity	16370	64164
ii. Loss on Income tax	22067070	21519473
iii. Unabsorbed Depreciation	20568365	20920278
iv. Interest on cc And Term Loan	0	32245471
<b>Total Deferred Tax Liability / (Asset)</b>	<b>21684998</b>	<b>49614654</b>

**9. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are charged to Profit and Loss account.

**10. Segment Reporting**

Based on guiding principles given in the Accounting standard on 'Segment Reporting' (AS-17), the primary business segment of the Company is manufacturing of Ingots, Flanges, Forging, etc. As the company operates in a single primary business segment, no segment information thereof is given.

## 11. Comparatives

Comparative financial information is presented in accordance with the "Corresponding Figure" financial reporting framework set out in "Standard of Auditing 710" on Comparatives. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements, and are to be read in relation to the amounts and other disclosures relating to the current year.

## 12. Earning Per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic & diluted earnings per equity shares are as stated below:

### a. Calculation of Weighted Average No. of Equity Shares

<i>Particulars</i>	<i>For the year ended 31st March, 2020</i>	<i>For the year ended 31st March, 2019</i>
Number of Equity Shares	43,10,000	43,10,000
<b>Total Weighted Average No. of Equity Shares (Basic)</b>	<b>43,10,000</b>	<b>43,10,000</b>
Add : Dilution Effect on account of Share Application Money pending allotment * Time Effect	-	-
<b>Total Weighted Average No. of Equity Shares (Diluted)</b>	<b>43,10,000</b>	<b>43,10,000</b>

### b. Basic EPS

<i>Particulars</i>	<i>For the year ended 31st March, 2020</i>	<i>For the year ended 31st March, 2019</i>
Profit after Taxation as per statement of Profit & Loss	(2,72,15,705)	(1,95,50,322)
Weighted average no. of Equity Shares outstanding	43,10,000	43,10,000
<b>Basic Earnings per share (Face Value Rs. 10)</b>	<b>(6.31)</b>	<b>(4.54)</b>

### c. Diluted EPS

<i>Particulars</i>	<i>For the year ended 31st March, 2019</i>	<i>For the year ended 31st March, 2018</i>
Profit after Taxation as per statement of Profit & Loss	(2,72,15,705)	(1,95,50,322)
Weighted average no. of Equity Shares outstanding	43,10,000	43,10,000
<b>Diluted Earnings per share (Face Value Rs. 10)</b>	<b>(6.31)</b>	<b>(4.54)</b>

## 13. Related Party Disclosures

### a. Key Management Personnel

<i>Name</i>	<i>Designation</i>
Shri Ashok M. Kapasi	Managing Director
Shri Arun M. Kapasi	Whole Time Director
Shri Hemant V. Chheda (demise) on 20/10/2019	Director

b. *Enterprises over which Key Management Personnel have control/Substantial Interest/Significant Influence –*

<i>Nature of Relation</i>	<i>Name of Director</i>	<i>Enterprise Name</i>
<i>As a Director</i>	Hemant V. Chheda (demise)	Kehem Land & Properties Pvt. Ltd.
		Indo US Services Ltd.

c. *Related Parties of Key Managerial Personnel as per AS “18” Related Party Disclosures issued by ICAI: -*

<i>Name</i>	<i>Related party</i>	<i>Relation Ship</i>	<i>Designation</i>
Ashok M. Kapasi			Director
	Smt. Nita Kapasi	Spouse	-
	Vikram Kapasi	Son	Chief Finance Officer
	Smt. Minal V Kapasi	Son’s Wife	-
	Ms. Purvi Kapasi	Daughter	-
	Arun M. Kapasi	Brother	Whole time Director
	Mrs. Pratibha Parekh	Sister	-
Arun M. Kapasi	Mr. Vinod Parekh	Sister’s Husband	-
			Director
	Neema Kapasi	Spouse	-
	Akshay Kapasi	Son	Technical Engineer
	Arpita Kapasi	Daughter	-
	Ashok M. Kapasi	Brother	Managing Director
	Nita Ashok Kapasi	Brothers Wife	-
	Pratibha Parekh	Sister	-
Hemant V. Chheda	Vinod Parekh	Sister’s Husband	-
	<b>Shri Samir H. Chheda</b>	Son	-
	Shri Mahendra V. Chheda	Brother	-
	Smt. Sushila M. Chheda	Brothers Wife	-
	Smt. Kumud H. Rambhia	Sister	-
	Shri Harakhchand Rambhia	Sister’s Husband	-
	Indo US Services Ltd.	Company	Director
Kehem Land & Properties Pvt. Ltd.	Company	Director	

d. *Transactions with Related Parties For The Year Ended 31 March 2020 are As Follows: -*

*Rs. In Lakhs*

	<b>Key Managerial Personnel</b>		<b>Control Enterprises of the key Personnel</b>		<b>Relative of Key Managerial Personnel</b>		<b>Total</b>	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Payments/ Expenses								
Loan Taken	0.50	6.54	-	-	-	-		26.15
Interest Paid	-		-	-	-	-		
Repayment of Loans	145.37	38.40	-	-	-	-		23.84
Remuneration Paid	12.00	7.00	-	-	12.00	7.00		7.00
Share Application Money Received	-	-	-	-	-	-	-	-

#### 14. Auditor's Remuneration

Net of GST as per P&L under Other Expenses – Office & Administrative Expenditure – Audit Fees as follows:

<i>Particulars</i>	<i>For the year ended 31st March, 2020</i>	<i>For the year ended 31st March, 2019</i>
Audit Fees	55000	55000
Tax Audit Fees	5,000	5,000
Quarterly Review & Certification	0	0
Corporate Governance Certification	0	0
<b>TOTAL</b>	<b>60,000</b>	<b>60,000</b>

#### 15. Foreign currency translation

Foreign currency transactions and balances

##### 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 transaction.

##### b. *Conversion*

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

##### c. *Exchange differences*

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

a. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

b. All other exchange differences are recognized as income or as expenses in the period in which they arise.

##### d. *Details Foreign Currency Transactions*

<i>Particulars</i>	<i>For the year ended 31st March, 2020</i>	<i>For the year ended 31st March, 2019</i>
Earnings in Foreign Currency Export of Goods on FOB Basis	Rs. 83,70,435/-	Rs. 83,96,018/-
Value of Import on CIF Basis	Rs. 1,48,264/-	Rs. 1,69,739/-
Expenditure in Foreign Currency	NIL	NIL

#### 16. Provisions & Contingent Liabilities

A provision is made when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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 there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Contingent Liabilities for the year end are as: -**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>
Contingent Liabilities for Letter of Credit issued by bank and outstanding	-	-
Contingent Liabilities for Letter of Guarantee	-	-
Other Contingent Liability ( Income Tax Notices)	103.18	103.18
<b>Total</b>	-	-

**17.** The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

**18.** Figures of the previous year are regrouped and rearranged wherever necessary to make them comparable with current year figures.

**For Mahesh A Mehta & Co**  
Chartered Accountants  
Registration No. 105871W)  
UDIN:-20037887AAAASF3448

**By Order of the Resolution Professional  
Techno Forge Limited (In CIRP)**

Proprietor  
Membership No.: 037887

Ashok M. Kapasi  
Managing Director  
DIN:-00041185

Arun M. Kapasi  
Whole Time Director  
DIN:-00041242

Place: Ankleshwar  
Date: 07-09-2020

Place: - Ankleshwar  
Date: 07-09-2020

**Taken on Record by Resolution Professional**

CA Bhavi Shreyans Shah,  
IP Reg. No: IBBI/IPA-001/IP-P00915/2017-18/11521

Date:- 24-10-2020  
Place:- Ahmedabad