

***RAJKUMAR FORGE LIMITED***



**25<sup>TH</sup> ANNUAL REPORT**

**BOARD OF DIRECTORS** : S. PADMANABHAN Chairman  
 PRADEEP BHARGAVA  
 SWASTIK SIRSIKAR  
 SHANTANU.R.KOTHAVALA  
 RATNAPRABHA R KOTHAVALA  
 R.S.KOTHAVALA Managing Director

**COMPANY SECRETARY** : VIJAY.V. KULKARNI

**AUDITORS** : M/S HARIBHAKTI & COMPANY- LLP  
 CHARTERED ACCOUNTANT PUNE

**BANKERS** : BANK OF BARODA

**REGISTRAR AND TRANSFER AGENTS** : LINK INTIME INDIA PRIVATE LIMITED  
 BLOCK NO 202, 2<sup>ND</sup> FLOOR  
 AKSHAY COMPLEX ,NEAR  
 GANESH TEMPLE, DHOLE PATIL  
 ROAD,PUNE – 411 001  
 PHONE NO : (020) 26160084, 26161629  
 TELE FAX : ( 020) –26163503  
 E-MAIL : pune@linkintime.co.in  
 WEBSITE : www.linkintime.com

**REGISTERED OFFICE** : 18,SHIVAJI CO-OP HOUSING SOCIETY  
 OFF SENAPATI BAPAT ROAD, PUNE 411 016  
 PHONE (020) 25639050 / 51 / 52  
 FAX : (020) 25639049  
 E-MAIL:-secretarial @rkforge.in, invest@rkforge.in  
 WEBSITE : [www.rkforging.com](http://www.rkforging.com)

**FACTORY** : GAT NO 357,KHARABWADI  
 CHAKAN- TALEGAON ROAD  
 CHAKAN- 410501, TALUKA- KHED  
 DISTRICT-PUNE

Members who wish to obtain all the Notices, Annual Reports and other communications from the company on e-mail, are requested to up-date their e-mail id in their depository account . Shareholders holding shares in physical form and wish to avail information on e-mail can send their request to Link Intime India Private Limited, Registrars of the Company with folio no and details of their e-mail id.

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## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Monday the 10<sup>th</sup> day of August, 2015 at 10.30 A.M. (IST) at Poona Club, 6, Bund Garden Road, Pune-411001 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2015 and Profit and Loss Account for the year ended as on that date together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Shantanu.R.Kothavale (DIN No.: 01386351) who retires by rotation and being eligible, seeks re-appointment.
3. To consider and, if thought fit, to pass with or without modification following resolution as an **ORDINARY RESOLUTION:-**

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules made there under and pursuant to the recommendations of the Audit Committee and the Board appointment of M/s Haribhakti & Company LLP, Chartered Accountants, having Firm Registration No 103523W issued by The Institute of Chartered Accounts of India, be and is hereby ratified as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the third consecutive Annual General Meeting (subject to ratification of the appointment by members at every Annual General Meeting) and the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with auditors, in addition to reimbursement of all out of pocket expenses and applicable taxes, in connection with the audit of the accounts of the company.”

**SPECIAL BUSINESS**

4. Appointment of Mrs. Ratnaprabha.R.Kothavale (DIN No.: 03630611) as Women Director of the Company.

To consider and if thought fit, to pass with or without modification following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT pursuant to provisions of 152 and other applicable provisions of the Companies Act, 2013 and rules made there under Mrs. Ratnaprabha.R.Kothavale who was appointed as Additional Director of the Company by the Board of Directors with effect from 14<sup>th</sup> February, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom company has received a notice in writing from member proposing her candidature for the office of Director of the Company, be and is appointed as Non-executive Director, whose period of office shall be liable to determination by retirement of director by rotation.”

5. **SPECIAL RESOLUTION - BORROWING POWERS OF THE COMPANY AND CREATION OF CHARGE / PROVIDING OF SECURITY.**

The Shareholders of the Company had passed an Ordinary Resolution pursuant to Section 293(1)(d) and any other applicable provisions of the Companies Act, 1956 read with Article 70 of the Articles of the Association of the Company

authorising the Board of Directors of the Company to borrow such amount of monies for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed 20 Crores (Rupees Twenty Crores Only) in excess of the aggregate of its the paid up share capital of the Company and free reserve i.e. reserves not set apart for any specific purpose, as per the latest annual audited financial statement.

In terms of Section 180(1)(c) of the Companies Act, 2013, which has replaced Section 293 of the Companies Act, 1956, the Board of Directors of a Company, shall exercise the power to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Company by passing a Special Resolution.

It shall be necessary to create charge/provide security on the assets of the company for the purpose of borrowing funds. Creation of charge/providing of security on the assets of the Company for the purpose of borrowing may be deemed as disposal of the whole or substantially whole of one or more of the Company's undertaking. In terms of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors can exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking, only with the consent of the Company, by passing a special resolution. It also attracts the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014, with respect to matters requiring approval by Postal Ballot

Keeping in view the above provisions, the Company proposes to obtain shareholders' consent to the proposed Special Resolution by means of Postal Ballot. The Proposed Special Resolutions and the Explanatory Statements thereto are given below.

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the shareholders on 28<sup>th</sup> July, 2007 the consent of the Company be and is hereby accorded to the Board of Directors of the Company( herein after referred to as the Board and which term shall be deemed to include duly authorized committee(s) , for the time being exercising powers conferred by the Board by this resolution) under Section 180(1)(c) and all other applicable provisions if any, of the Companies Act, 2013 read with Article 70 of the Articles of Association of the Company and Companies ( Management and Administration Rules) 2014, to borrow money for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company, but so that the moneys to be

borrowed together with the moneys already borrowed by the Company shall not exceed 60 Crores (Rupees Sixty Crores Only) in excess of the aggregate of its paid share capital and free reserves of the Company at any one time as per the latest annual audited financial statements (apart from temporary loans obtained from the Company's bankers in the ordinary course of business which means loans repayable on demand with in 6 (six) months from date of the loan such as short term, cash credit arrangement ,discounting of bills and other short term loans of seasonal character ,but dose not include loans raised for the purpose of financial expenditure of capital nature).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such actions and steps ,including delegation of authority, as may be necessary, and to settle all matters arising out of and incidental thereto , and to sign and execute deeds ,applications documents and writings that may be required on behalf of the Company and generally do all such acts and things as may be necessary, proper, expenditure or incidental for giving effect to this resolution. “

**6. SPECIAL RESOLUTION - Authority to Board of Directors for creation of charge/mortgages in respect of borrowings**

**To consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:-**

“**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ( including any amendment thereto or enactment re-enactment thereof) to the Board of Directors of the Company to create charge ( floating or fixed) / provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into / to be entered by the Company and/or Board up to maximum ceiling of Rs. 60 Crores ( Rupees Sixty Crores) over and above the paid up capital and free reserves of the Company at any one time.

**RESOLVED FURTHER THAT** the Securities to be created by the Company for its borrowing as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Board and concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorised to take such actions and steps including delegation of authority , as may be necessary and to settle all matters arising out of and incidental there to and to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary,

proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company and generally to do all such acts, deeds ,matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution”

**BY ORDER OF BOARD OF DIRECTORS  
FOR RAJKUMAR FORGE LIMITED**

**Place: Pune  
Date: 9th May, 2015**

**R.S.KOTHAVALA  
MANAGING DIRECTOR**

**NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED,COMPLETED,SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true copy by a Chairman of the meeting at which it was passed, shall have been deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) A brief profile of Directors retiring by rotation and being eligible for re-appointment are included in the Corporate Governance Report, which forms part of Directors' Report and shareholders are requested to refer to the same. The Board of Directors of the Company recommends their respective appointments.
- 4) The Board of Directors of the Company has on the recommendation received from the Audit Committee of the Company, recommended ratification of appointment of Haribhakti and Company LLP having Firm Registration No 103523W as Statutory Auditors of the Company till 2019-2020 subject to ratification of appointment by members in the next Annual General Meeting of the Company .
- 5) Members who hold shares in dematerialized form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.
- 6) Members holding equity shares in dematerialized form are requested to intimate change in their address , bank details etc. to their respective DPS. Those members holding shares in physical form are requested to inform Link Intime India Private Limited , Registrar and Transfer agent of the Company having its office at “ Block No ,202 Second Floor, Akshay Compalex , Dhole Patil Road ,Pune-411001 immediately of any change in their address.

- 7) The Register of Members and Share Transfer Books of the Company will remain close from **Tuesday, 4<sup>th</sup> August, 2015 to Monday, 10<sup>th</sup> day of August, 2015 ( both days inclusive).**
- 8) Members may avail of the facility of dematerialization of equity shares by opening demat accounts with Depository Participants of either National Securities Depository Limited (NSDL ) or Central Depository Services ( India) Limited ( CDSL) and get the equity share certificates dematerialized. **The ISIN No of the Company is INE-013J01016.**
- 9) Those members who have not encashed /received the dividend warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for claiming un-paid / un-claimed dividend.
- 10) Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund ( IEPF) constituted by the Central Government, under Section 124 of The Companies Act,2013
- 11) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
- 12) Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.
- 13) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- 14) Members are requested to intimate to Link Intime India Private Limited, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs , vide Circular No 17/2011 dated 21.04.2011.
- 15) As per Circular No MRD/DOP/CIR-05/2009 MAY 20,2009 issued by Securities and Exchange Board of India ( SEBI) it is mandatory to quote Permanent Account Number ( PAN) for participating in securities market.
- 16) Further a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or member.
- 17) In terms of Section 101 and 136 of the Companies Act,2013 read with rules made there under , a listed company may send the notice of Annual General Meeting and Annual Report ,including financial statement, Board Report etc by electronic mode.
- 18) Pursuant to Section 72 of the Companies Act,2013 shareholder holding shares in physical form may file nomination form in Form SH-13 with Registrar and Transfer Agent of the Company, Link Intime India Private Limited.
- 19) The result of voting with the Scrutinizer's Report shall be placed on Company's website <http://www.rkforging.com>. and on the website of CDSL with in 2 (two) days of passing of resolutions at Annual General Meeting of the Company and shall be communicated to The Bombay Stock Exchange Ltd.

**BY ORDER OF BOARD OF DIRECTORS  
FOR RAJKUMAR FORGE LIMITED**

**Place: Pune  
Date: 9th May, 2015**

**R.S.KOTHAVALA  
MANAGING DIRECTOR**

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

The following Statement sets out all material facts relating to the business mentioned in the accompanying Notice

**Item No 2 & 4 :**

Brief resume of each of the Director including their experience in functional areas and names of companies they hold directorship and membership ,chairmanship of Board and Committees , shareholding and relationship between directors inter-se as stipulated under clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange are provided in the Corporate Governance Report forming part of Annual Report.

Copy of draft letter of appointment of each of the above directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This statement may also be regarded as disclosure under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited.

Mr.Shantanu.R.Kothavale and Mrs.Ratnaprabha. R.Kothavale are interested in the resolution sset out respectively at item no 2 and item no 4. The relatives of Mr.Shantanu R Kothavale, Mrs. Ratnaprabha. R.Kothavale are interested in the resolution set out respectively at item no 2 and item no 4 to the extent of shareholding interest ,if any, in the company.

Save except as above, nun of the Directors and their relatives is in any way interested financially or otherwise in these resolutions.

The Board commends the Ordinary Resolution set out at item no 2 to 4 of the Notice for approval by shareholders.

**Item No 5 &6**

In terms of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only the consent of the Company by passing a Special Resolution.

The Shareholders of the Company had passed an Ordinary Resolution dated 28<sup>th</sup> July, 2007 pursuant to Section 293(1)(d) and any other applicable provisions of the Companies Act, 1956 read with Article 70 of the Articles of the Association of the Company authorising the Board of Directors of the Company to borrow monies for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed 20 Crores (Rupees Twenty Crores Only) in excess of the aggregate of the paid up capital of the Company and its free reserve i.e. reserves not set apart for any specific purpose, as per the latest annual audited financial statement.

The Ministry of Corporate Affairs (MCA), New Delhi vide their Notification No. 2754 dated September 12, 2013 had notified inter-alia the applicability of provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 with effect from September 12, 2013, which stipulates obtaining prior approval of the Shareholders of the Company by way of Special Resolution for exercising the specified powers of the Board of Directors relating to borrowing and selling/disposing off etc. of an undertaking of the Company respectively. Further MCA also vide its circular No. 04/2014 dated 25.03.2014 have clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings and / or creation of security on the assets of the Company will be regarded as sufficient compliance of the requirements of Section 180 (Restriction on the Powers of the Board) of the Companies Act, 2013 for a period of one year from the date of notification indicating the applicability of Section 180 of the Act, 2013. Therefore Corporation is now required to obtain consent of the Company by a Special Resolution.

The relevant resolutions proposed for the Member's approval are specified at item No. 5 and 6 The Board of Directors recommend the Special Resolution as set out in item No. 5 and 6 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution

The documents and / or letters referred to in the above resolution/s and are open for inspection by the Members at the Secretarial Department of the Company, on all working days between 10.30 A.M and 12.30 P.M. up to the date of Annual General Meeting except Saturday, Sunday and Public Holidays, till conclusion of the ensuing Annual General Meeting.

**BY ORDER OF BOARD OF DIRECTORS  
FOR RAJKUMAR FORGE LIMITED**

**Place: Pune  
Date: 9th May, 2015**

**R.S.KOTHAVALA  
MANAGING DIRECTOR**

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 ( the Rules) and Clause 35B of the Listing Agreement ,the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening the 25<sup>th</sup> Annual General Meeting to be held on Monday, 10<sup>th</sup> day of August, 2015 at 10.30 A.M . at Poona Club, 6, Bund Garden Road, Pune-411001. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide e-voting facility.

These details and instructions form an integral part of Notice for the Annual General Meeting to be convened on 10<sup>th</sup> day of August, 2015.

(i) The voting period begins on 7<sup>th</sup> August at 9 a.m. and ends on 9<sup>th</sup> August 2015 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3<sup>rd</sup> August 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(ii) Click on Shareholders.

(iii) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (as printed on ballot paper / attendance slip / notice) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If Demat account holder has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**BY ORDER OF BOARD OF DIRECTORS  
FOR RAJKUMAR FORGE LIMITED**

**Place: Pune  
Date: 9th May, 2015**

**R.S.KOTHAVALA  
MANAGING DIRECTOR**

**MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS**

Manufacturing Industry is vital for development of Indian economy. The year 2014-2015 has shown moderate economic growth. In the year 2014-2015 GDP growth was at 4.6% as compared to 2013-2014 which was at 4.3%. Forging Industry serves needs of automobile and heavy engineering industry. Products of the Company are related to Heavy Engineering and Machine Building Industry which is a core sector.

**OPERATIONS & FINANCIAL PERFORMANCE :**

Sales and profit performance for the year ended 31<sup>st</sup> March, 2015 is lower . Following is the summary of performance.

Year	2014-2015 (₹ in Lacs)	2013-2014 (₹ in Lacs)
Sales	2811.33	3223.84
Cost of operation	2433.75	2985.95
Interest & Depreciation	121.60	181.82
Profit before Tax	255.98	56.07
Provision for Taxation	149.91	30.76
Net Profit after Tax	106.07	25.31

Export performance of the Company for the last three years is tabled below:

Year	Export Value (₹)	Total Sales Value (₹)	% Export	% Export Growth/ (decline)
2012-2013	360,518,205	408,370,315	88.28	( 3.77)
2013-2014	302,029,357	322,384,062	93.69	5.41
2014-2015	22,37,53,414	281,133,503	79.59	(14.1)

**GENERAL :**

The Registered Office of the Company is situated at “Shivprasad” 18, Shivaji Co-operative Housing Society, Pune- 411016.

The Company is governed by ISO 14001:2004 for environmental management system and OHSAS 18001:2007 for Occupational Health and Safety Management System and also by ISO 9001:2008. The Company has received certificate of recognition as Star Export House from Ministry of Commerce & Industry Office Of The Joint Director General of Foreign Trade.

The Forgings of the Company such as shaft, square, rectangular, blanks, rings, hollow etc are supplied to industries in Oil Field Industries, Sugar, Steel, Cement, Gear, Thermal sectors. The company specializes in producing casing heads, cross forgings, tubing spools, forgings ,body block forgings for SSB and SSBT Valves, Slip lock housing etc for Oil and Gas Industries.

**INTERNAL CONTROL SYSTEM & ITS’ ADEQUACY :**

Company has reasonable Internal Control System to safeguard assets of the Company and detects, frauds or irregularities, if any. The internal control system are designed to ensure reliability of financial records and other records for preparing financial statements.

**CONCERN & THREATS:**

The economies of the western countries are showing signs of slow recovery .The Companies export account for about 80.00.% of the total business. International buyers are placing orders to the Company. The Company is expecting increase in turnover in the next financial years.

However, uncertain market conditions and competition of Chines manufacturers at low prices are causes of concern. Impact of the Foreign Exchange Rate fluctuation is enormous on the working of the Company. It is presently slightly favorable to the Company and helping it in international competition to some extent. The Company has taken forward exchange cover from Bank of Baroda, Pune Camp Branch to reduce the impact of foreign exchange rate difference.

**OUTLOOK:**

Market out-look for next two to three years looks promising. However, un-certainties and adverse movements in the exchange rate fluctuations may affect performance of the Company.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis, describing the Company’s objectives, projections, estimates and expectations may be “ forward looking statements ” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Things that could affect Company’s operation include slow down in the global economy, changes in political and economic development both in India and world wide, changes in tax laws, interest cost .

**HUMAN RESOURCES:**

The Company has a strength of 80 employees as on 31<sup>st</sup> March, 2015. The Company continues to maintains cordial relations with its’ employees. The key focus of the Company is all around development of the employees. The Board places on record its appreciation for the sustained efforts and contributions made by the staff at all levels during the year under review.

**APPRECIATION**

Your Directors wish to place on record their grateful thanks to Bank of Baroda for their continued support and confidence reposed in by the shareholders of the Company.

**TO THE BOARD OF DIRECTORS OF RAJKUMAR FORGE LIMITED CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

I, the undersigned , in my capacity of Managing Director of Rajkumar Forge Limited, ( “ the Company” ) , to the best of my knowledge and belief certify that :

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and to the best of our knowledge and belief :
  - (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief no transactions entered in to by the Company during the year ended 31<sup>st</sup> March, 2015 , which are fraudulent , illegal or violative of the Company’s Code Of Conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee , deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps that have been taken or proposed to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee :
  - (I) Significant changes in internal control over financial reporting during the year.
  - (II) Significant change in accounting policies during the year and that the same have been disclosed in the notes to financial statement; and
  - (III) Instances of significant fraud of which I am aware and the involvement there in ,if any , of the management or an employee having a significant role in the companies internal control system over financial reporting.

Place: Pune  
Date: 9th May, 2015

**R.S.KOTHAVALA**  
**MANAGING DIRECTOR**



**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Rajkumar Forge Limited’s philosophy on Corporate Governance aims at establishing and maintaining a mechanism by which the most effective and efficient values, principles, management policies and procedures are adopted with highest level of transparency and accountability throughout the organization. It is not only for facing intense competition for sustainable growth in the global business scenario but is also an embodiment of the parameters of fairness, accountability and transparency to maximize value for the stakeholders. The Company believes in maintaining highest standard of quality and ethical conduct, in all the activities of the Company.

This chapter of the report plus the information given under the Management Discussion and analysis and Shareholder Information constitutes the report on Corporate Governance for the Year 2014-2015.

**2. Board Level Issues**

**• Composition of Board**

The Board of Directors consists of six Directors as on 31<sup>st</sup> March 2015, comprising of Chairman who is a non-executive Director, Managing Director who is an executive director. The other three (3) Directors are non-executive , and all of them are independent. Mrs.Ratnaprabha .R.Kothavale is appointed as women Director and Additional Director on the Boar of Directors of the Company effective from 14<sup>th</sup> February,2015,Details are given in Table 1.

**• During the year the Board Meetings were held on :-**

Sr.No	Date of Board Meeting
1	30 <sup>th</sup> May,2014
2	11 <sup>th</sup> August,2014
3	13 <sup>th</sup> November,2014
4	14 <sup>th</sup> February,2015

**Directors attendance Record**

Table 1 gives the composition of the Board , the category of Directors and their attendance record.

**Table 1**

Name of Director	Category	No. of Board Meetings held	No of Board Meeting attended
R.S.Kothavale Managing Dirctor	Promoter Executive	4	4
S.Padmanabhan Chairman	Non-Executive Independent*	4	4
S.R.Kothavale	Non-Executive	4	2
Pradeep Bhargava	Non-Executive Independent*	4	4
Swastk Sirsikar	Non-Executive, Independent *	4	4
Ratnaprabha Kothavale**	Promoter Non-Executive	4	Nil

\* Independent Director means a director who apart from receiving director remuneration dose not have any pecuniary relationship or transactions with the Company ,its’ promoters ,its management

or its subsidiaries ,which in the judgment of the board may affect independence of judgment of directors.

\*\*Mrs. Ratnaprabha.R.Kothavale has been appointed as Additional Director and Women Director from 14<sup>th</sup> February 2015.

**Table 1A shows attendance of Directors at last Annual General Meeting.**

Name of Director	No of General Meetings held	No of General Meeting attended
R.S.Kothavale Managing Director	1	1
S.Padmanabhan Chairman	1	1
Pradeep Bhargava	1	1
S.R.Kothavale	1	0
Swastik Sirsikar	1	1
Ratnaprabha Kothavale**	1	Nil

**OUTSIDE DIRECTORSHIP**

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
R.S.Kothavale Managing Director	0	01
S.Padmanabhan Chairman	06	01
Pradeep Bhargava	05	03
S.R.Kothavale	0	0
Swastik Sirsikar	02	01
Ratnaprabha Kothavale**	Nil	Nil

None of the Directors is a member of more than 7 Board level committees of Public Companies in which they are Directors.

Other directorship do not include alternate directorship,of private limited companies. companies not for profit and companies incorporated outside India. In accordance with clause 49 of the listing agreement Membership/Charimanship of only the Audit Committee and Stake Holders Committee in all Public Limited Companies (excluding Rajkumar Forge Limited) have been considered.

**INFORMATION PLACED BEFORE THE BOARD**

The Board of Rajkumar Forge Limited is presented with all relevant information on various vital matters affecting the working of the Company in addition to the matters set out in Annexure IA of Clause 49 of the Listing Agreement. Also extensive information is provided on various critical matters such as production, sales, export, financial performance, foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters with detailed notes along with agenda papers.

As mandated by Clause 49, the independent Directors on Rajkumar Forge Limited:

1. Apart from receiving Director’s remuneration ,do not have any material pecuniary relationships or transactions with the company, its promoters, its’ directors, Its senior management which may affect independence of Director.
2. Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.

3. Have not been executive of the Company in the immediately preceding three financial years.
4. Are not partners or executives or were not partners or executives during the preceding three financial years :
  - a) Statutory audit firm or the internal audit firm that is associated with the Company.
  - b) Legal firm and consulting firm that have a material association with the Company.
5. Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
6. Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.
7. Is not less than 21 years of age

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

As stipulated by the Code Of Independent Directors under Companies Act,2013 and Listing Agreement a separate meeting of the Independent Directors of the Company was held on 14<sup>th</sup> February, 2015 to review performance of the non-independent directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between management and the Board and its committees which is necessary for the management to effectively and reasonably perform and discharge their duties. The independent directors were made familiar with the areas of operation, process flow, organisation structure and strengths of the Company. The Company is arranging visit of independent directors to manufacturing facilities of the Company and getting them accounted with production process.

**NOMINATION AND REMUNERATION COMMITTEE**

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below .The Committee during the year ended 31<sup>st</sup> March,2015 had one meeting. The attendance of members was as under :-

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
Shantanu Kothavale	Promoter Non-Executive	1	1
Pradeep Bhargava	Non-Executive Independent	1	1
Swastik Sirsikar	Non-Executive Independent	1	1

Terms of reference of the Nomination and Remuneration Committee  
The Committee is empowered to:-

1. Formulate criteria for determining qualifications, positive attributes and independence of directors and evaluating the performance of Board of Directors.
2. Identifying and assessing potential individuals with respect to their expertise ,skills, attributes ,personal and professional standing for appointment and re-appointment as Directors/ Independent Directors on the Board as Key Managerial Personnel.
3. Support Board in evaluation of performance of all the Directors and in annual self assessment of Boards' overall performance.
4. Conduct Annual Performance Review of Managing Director and Senior Management Employees.

5. Formulate a Policy relating to remuneration of Directors, Committee and Senior Management Employees.

**Remuneration Policy**

The Company follows a policy on remuneration of Directors and Senior Management Employees.

**Remuneration of Non-executive Directors**

The non-executive directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in Board / Committee Meetings as detailed hereunder :

- i. A non-executive director shall be entitled to receive sitting fees for attending each meeting of the Board or Committee thereof attended by him of such sum as may be approved by the Board of Directors with in the over all limit prescribed by Companies Act, 2013 and Companies Managerial Remuneration Rules, 2014.
- ii. A non-executive director will be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendations of Nomination and Remuneration Committee.
- iii. The Nomination and Remuneration Committee may recommend to Board the payment of commission on uniform basis to reinforce the principle of collective responsibility.
- iv. The Nomination and Remuneration committee may recommend higher commission for chairman of the Board considering his overall responsibility.
- v. In determining the quantum of commission payable to directors, the Nomination and Remuneration Committee will make its recommendations taking into consideration the overall performance of the Company and responsibilities shouldered by the director.
- vi. Nomination and Remuneration committee may recommend to Board additional commission to the directors who are members of the Audit Committee, subject to ceiling on total commission payable.
- vii. The total commission payable shall not exceed 1% of the net profits of the Company.
- viii. The commission shall be payable on prorata basis to those directors who occupy office for part of the year.
- ix. The Independent Directors shall not be entitled to participate in stock option scheme of the Company

**REMUNERATION OF MANAGING DIRECTOR**

- i. At the time of appointment or reappointment , the managing director shall be paid such remuneration as may be mutually agreed, within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to approval of the Members in General Meeting.
- iii. The remuneration of Managing Director may be dividend in to fixed and variable component. The fixed component will include salary, allowances, perquisites and other amenities. The variable portion may include performance bonus.
- iv. In determining the remuneration the Nomination and Remuneration Committee may consider following:
  - a. The relationship of remuneration and performance benchmark is clear.
  - b. Balance between fixed and incentive pay reflecting long term and short term performance objectives of the Company and its goals.

- c. Responsibility required by Managing Director and Industry Benchmark and current trends.
- d. The Company's performance and annual budget achievements

**REMUNERATION OF SENIOR MANAGEMENT EMPLOYEES**

- i. In determining the remuneration of the Senior Management employees , the Nomination and Remuneration Committee shall consider following.
  - a. The relationship of remuneration and performance benchmark is clear
  - b. Balance between fixed and incentive pay reflecting long term and short term performance objectives of the Company and its goals.
  - c. The remuneration is divided in to two components fixed component and performance based incentive
  - d. The remuneration including Annual Increment and performance incentive is based on the criticality of the roles and responsibilities, individual performance, industry benchmark and current compensation trend in the market.
- ii. The Managing Director will carry out individual performance review based on the standard appraisal matrix and recommend the Annual Increment and Performance incentive to the Nomination and Remuneration Committee.

**3 AUDIT COMMITTEE**

The role and terms of reference of the Audit Committee covers the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges, Section 177 of the Companies Act, 2013 other terms as may be referred by the Board of Directors and interalia includes the following :

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing with the management the annual and quarterly financial statements before submission to the Board
3. Discussing with Internal Auditors any significant findings and follow up on such issues;
4. Reviewing with the management ,external and internal auditors , the adequacy of internal control system
5. Reviewing details of related party transactions
6. Reviewing the Company's financial and risk management policies.
7. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards etc.
8. Discussing with the statutory auditors before the Audit Commences on the nature and scope of Audit, as well as having post audit discussion to ascertain area of concern.

The Audit Committee comprises of two (2) non-executive and independent directors, Mr.Pradeep Bhargava and Mr. Swastik Sirsikar and one (1) executive director Mr. Rajkumar S.Kothavale . Mr. Pradeep Bhargava is Chairman of the Committee. All members are financially literate and have related financial management expertise . Accounts officers and financial executives , the Statutory Auditors and the Internal Auditors also attend the Audit Committee Meetings. The Company Secretary acts as a Secretary of the Committee.

During the year the Audit Committee Meetings were held on :-

Sr.No	Date of Audit Committee Meeting
1	30'th May,2014
2	11'th August,2014
3	13'th November,2014
4	14'th February,2015

The Number of Audit Committee Meetings and attendance of the members of Audit Committee meeting is given below:

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
R.S.Kothavale	Promoter Executive	4	4
Pradeep Bhargava	Non-Executive Independent	4	4
Swastik Sirsikar	Non-Executive Independent	4	4

**4 REMUNERATION DURING THE YEAR 2014-2015**

Name of Director	Salary (₹)	Perquisites (₹)	Sitting fees (₹)	Total (₹)
R.S.Kothavale Managing Director	15,94,352	1,35,600	N.A.	17,29,952
S.R.Kothavale	N.A	N.A	30,000	30,000
Pradeep Bhargava	N.A	N.A	1,00,000	1,00,000
Swastik Sirsikar	N.A	N.A	1,00,000	1,00,000
S.Padmanabhan	N.A	N.A	50,000	50,000
<b>Total</b>	<b>15,94,352</b>	<b>1,35,600</b>	<b>2,80,000</b>	<b>20,09,952</b>

Notes : Salary = Basic salary and perquisites

Perquisite include , Gratuity, Superannuation leave travel allowance and Medical Premium, personnel accident premium, club membership.

- 5. **COST AUDIT** :- Provisions of Cost Audit are not applicable to the Company.
- 6. **STAKEHOLDERS COMMITTEE (INVESTOR/SHAREHOLDERS GRIVANCE COMMITTEE)**

The Shareholder's/Investor Grievance Committee of the Board has been constituted to look into complaints like transfer of shares , non-receipt of Balance Sheet, Non-receipt of Annual Report etc.

The Committee comprises of Mr.Swastik Sirsikar and Mr.R.S.Kothavale, executive Director. Mr.Swastik Sirsikar as Chairman of the Committee. The status of Complaints is reported to the Board of Directors at every Board Meeting.

Mr.Vijay.V. Kulkarni,Comapany Secretary ,Member of the Institute of Company Secretaries of India , is Compliance Officer. The Compliance Officer can be contacted at :

Rajkumar Forge Limited  
 18, Shivaji Co-oprative Housing Society  
 Off Senapati Bapat Road, Pune-411016  
 Tel :-020 – 25639050 / 51/ 52 Fax :020- 25639049  
 EMAIL: [secretarial@rkforge.in](mailto:secretarial@rkforge.in) , [invest@rkforge.in](mailto:invest@rkforge.in)

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31'st March 2015 were Nil. There were no complaints pending as on 31'st March, 2015.

**7. GENERAL BODY MEETINGS :**

Date	Location	Time
11th August, 2012	Poona Club,6 Bund Garden Road Pune-1	10.30 A.M
12th August,2013	Poona Club,6 Bund Garden Road Pune-1	12.00 Noon
11th August,2014	Poona Club,6 Bund Garden Road, Pune-1	10.00 A.M

No Special Resolution was passed at Twenty Forth Annual General Meeting of the Company. No Special Resolutions were passed in the above meetings by postal ballot.

No extraordinary general meeting was held during the year under review

**8. PARTICULARS OF APPOINTMENT AND REAPPOINTMENT OF DIRECTORS :**

**1. Mr.Shantanu.R.Kothavale :** Shantanu.R.Kothavale is graduate in electronics with computer as major from Santa Clara University,California,USA. He is having total 26 years of rich experience in various capacities in hardware and software in USA. Currently he is holding position as Director Engineering in Riverstone Networks,Inc.,Santa Clara,USA.

He is holding 10,04,100 (Ten lac four thousand and one hundred) equity shares of the Company as on 31<sup>st</sup> March,2015 and his shareholding in the Company is 9.18% of the paid up equity capital of the Company. He is related to the promoter Director , Mr. R . S .Kothavale.

**2. Mrs.Ratnaprabha.R.Kothavale :-** Ratnaprabha Kothavale is appointed as women director and additional director of the Company effective from 14<sup>th</sup> February,2015. She is related to Mr.R.S.Kothavale ,Promoter Director and Shantanu.R. Kothavale, Director of the Company.She is holding 20,500 equity shares viz 0.18% of the paid up capital of the company.

**9. DISCLOSURES UNDER THE COMPANIES ACT 2013**

Extract of Annual Return:- The details forming part of Annual Return are enclosed as annexure to Directors Report.

- a) No of Board Meetings : The Board of Directors met 4 (four) times in the year 2014-2015.
- b) Changes in share capital : During the year under review there was no change in the paid up equity share capital of the company, which remained at 1,09,39,400 equity shares of ₹ 10/- each fully paid up aggregating to ₹ 10,93,94,000/-.
- c) Composition of Audit Committee :- The Board has constituted Audit Committee which comprises of Mr. Pradeep Bhargava as Chairman and Mr. Swastik Sirsikar and Mr. R.S.Kothavale as members which remained un-changed. More details are given in the Corporate Governance Report.
- d) Related Party Transactions :- All the related party transactions are entered into on arm length basis and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Agreement. There are no materially significant related party transactions made by the Company with Promoters ,Directors or Key Managerial Personnel, which may have potential conflict with the interest of the company at large. All related party transactions are presented to the Audit Committee and the Board. Omnibus approvals is obtained for the transactions which is foreseen and is repetitive in nature . A statement of all related party transactions is presented before Audit

Committee on quarterly basis ,specifying the nature, value and terms and conditions of the transactions. The related party transaction policy is approved by the Board. The details of the transactions with the related party are provided in the accompanying financial statement and are also made available on web site of the Company at [www.rkforging.com](http://www.rkforging.com)

- e) Corporate Governance :- The Company has complied with the Corporate Governance requirements under the Companies Act,2013 and as stipulated in the listing agreement with The Bombay Stock Exchange Ltd. A separate section on corporate governance under the Listing Agreement along with a Certificate from the auditors confirming compliance is annexed and form part of the Annual Report.
- f) Internal Control System:- A strong internal control culture is prevalent in the Company. A firm of Internal Auditors reviews all the major processes to ensure reliability of financial reporting. Timely feedback on compliance with policies, procedures, laws and regulations, safeguarding assets and economical and efficient use of resources. Internal Audit continuously monitors the efficacy of internal controls with the objective of providing the Audit Committee and Board of Directors ,an independent, objective and reasonable assurance on the adequacy and effectiveness of organizations risk management ,control and governance process.
- g) Vigil Mechanism /Whistle Blower Policy :- A vigil Mechanism/ Whistle Blower Policy is laid down by the Company . The details of the Vigil Mechanism /Whistle Blower Policy are available on the website of the Company at [www.rkforging.com](http://www.rkforging.com)
- h) Appointment of Chief Financial Officer : Company's making efforts to appoint suitable person as chief financial officer of the Company.

**Directors and Key Managerial Personnel:-**

- 1. In accordance with provisions of Section 152(6) Mr.Shantanu.R.Kothavale retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Mrs.Ratnaprabha Kothavale who was appointed as additional director up to the ensuing Annual General Meeting and is eligible for appointment as director of the Company.
- 2. Appointment of Independent Directors :- In accordance with Companies Act, 2013 Mr.S.Padmanabhan, Mr. Pradeep Bhargava and Mr. Swastik Sirsikar have been appointed as Independent Directors under Section 149 Companies Act, 2013.The shareholders have at the 24<sup>th</sup> Annual General Meeting held on Monday, 11<sup>th</sup> day of August, 2014 approved their appointment for a period of five years.
- 3. Evaluation of Board's Performance :- In compliance with the Companies Act,2013, and clause 49 of the Listing Agreement , the performance evaluation of the Board was carried out during the year under review. More details of the same are given in Corporate Governance Report.
- 4. Remuneration Policy :- The Company follows a policy on remuneration of Directors and Senior Management Employees. The Policy is approved by Nomination and Remuneration Committee and the Board.
- 5. Particulars of Employees : The information as required under Section 197 of the Companies Act,2013 and rules made there under forms part of this report.

6. Transfer to Investor Education and Protection Fund :- The Company will be transferring unclaimed dividend for the year 2008-2009 to Investor Education and Protection Fund established by Central Government. The amount represent unclaimed dividend which were lying with the Company for period of seven years from the respective due date. The Company has reminded shareholders for submitting their claims for unclaimed dividend through annual communication in the Annual Reports.

During the year under review, there has been no materially significant related party transactions with the Directors or management that may have potential conflict with the interests of the Company at large.

- i) During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- j) Equity shares of the company continues to be listed on The Bombay Stock Exchange Limited, having nationwide trading terminals. The Stock code of the Company is 513369.
- k) The National Securities Depository Services Limited ( NSDL) and Central Depository Services ( India ) Limited ( CDSL) continues to admit the equity shares of the Company for dematerialization.
- l) Your Company conforms to the mandatory norms of Corporate Governance as envisaged in the Companies Act, 2013 and in the Listing Agreement entered into with The Bombay Stock Exchange Limited . A report on Corporate Governance, along with the certificate of compliance from the Auditors forms part of this report. The company has not adopted the non-mandatory requirements as mentioned in Annexure ID of Clause 49 of the Listing Agreement.

**4. MEANS OF COMMUNICATION**

The quarterly results were published in national daily news papers- The Free Press Journal ( English edition) and Navshakti ( Marathi edition) on following dates as given below :

- a. Audited Financial Results for the period ended on 31.03.2014 on 01.06.2014.
- b. Unaudited Financial Results – First Quarter ended on 30.06.2014 on 12.08.2014.
- c. Unaudited Financial Results –Second Quarter ended on 30.09.2014 on 15.11.2014.
- d. Unaudited Financial Results –Third Quarter ended on 31.12.2015 on 15.02.2015.

The Company issues notices to the shareholders regarding convening of General Meeting and communication with Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post, Courier and Fax and online filing wherever necessary. The Company's website address is [www.rkforging.com](http://www.rkforging.com) where by all the necessary information relating to the Company and its performance is maintained by the Company.

**5. GENERAL SHAREHOLDER INFORMATION :**

**Annual General Meeting:**

- I) Date and Time : : 10<sup>th</sup> August, 2015 at 10.30 A.M.  
Venue : Poona Club Limited, 6, Bund Garden Road, Pune-411001
- II) Financial Year : 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015
- III) Date of Book : 4<sup>th</sup> August, 2015 to 10<sup>th</sup> August, 2015  
Closure (both days inclusive)

- IV) Dividend Payment date : The Board of Directors has not recommended dividend in view of inadequate profits.
- V) Listing on Stock Exchanges Stock Code : The Company's shares are listed on The Bombay Stock Exchange Limited 513369
- VII) Market Price Data : High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd, Mumbai during the period from April, 2014 to March, 2015 is furnished below

Month	High (₹)	Low (₹)	Volumes	Month	High (₹)	Low (₹)	Volumes
April, 2014	17.93	13.70	1,17,140	October, 2014	18.65	16.05	21,480
May, 2014	18.15	14.95	36,104	November, 2014	19.20	16.10	43,172
June, 2014	18.00	15.70	29,477	December, 2014	20.15	17.15	26,550
July, 2014	18.90	15.35	23,745	January, 2015	19.85	17.50	27,359
August, 2014	18.80	15.45	16,071	February, 2015	19.70	16.15	11,971
September, 2014	18.45	15.30	16,419	March, 2015	18.70	15.05	10,355

Source : Official website of The Bombay Stock Exchange ([www.bseindia.com](http://www.bseindia.com))

**Share price performance in comparison to broad based indices –BSE Sensex as on 31<sup>st</sup> March, 2015.**

**BSE % Change**

	RAJKUMAR FORGE LTD	BSE SENSEX
<b>FY 2014-2015</b>	<b>-9.09%</b>	<b>24.89%</b>
<b>2 YEARS</b>	<b>4.36%</b>	<b>48.43%</b>
<b>3 YEARS</b>	<b>69.89%</b>	<b>60.64%</b>
<b>5 YEARS</b>	<b>3.95%</b>	<b>59.50%</b>

VIII) Registrar and Transfer Agents :

Your Company has appointed M/s Link Intime India Private Limited ( Formerly known as Intime Spectrum Registry Limited) as its Registrar and Transfer Agents . It is a SEBI registered Registrar and Transfer Agent .The entire work relating to processing of transfer of shares ,transmission , sub-division, consolidation, issue of duplicate certificates, request of dematerialisation and rematerialisation of company's equity shares and investor relation has been assigned to M/s Link Intime India Private Limited :

Head Office : C-13, Pannalal Silk Mills Compound L.B.S. Marg Bhandup, Mumbai 400078  
Telephone No : ( 022 ) 25963838  
Fax No : ( 022 ) 25946979

Pune Office : Block No 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune – 411001  
Telephone No 020- 26160084, 26161629, 26051629  
Telefax : 020 - 26053503  
E-mail ID : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

**Share Transfer System:**

The Board has constituted the Share Transfer Committee by delegating the power of share transfer severally to Mr.Rajkumar S.Kothavale, Managing Director and Mr.Swastik Sirsikar, Director with a view to facilitate quicker transfer and dematerialization of equity shares . The Committee meets on a weekly basis to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. The Company's R& T Agent M/s Link Intime India Private Limited issues share certificate of transfer to the shareholders within 15 ( fifteen) days of receipt of certificate for transfer, excepting those rejected on technical grounds .

**IX) Distribution of shareholding :**

Distribution of shareholding as on 31<sup>st</sup> March, 2015

Holding of shares	Number of shareholders	Shareholders % to Total	Shares	% of Total
Up to 500	11373	94.5544	1527762	13.9657
501 to 1000	339	2.8184	291427	2.6640
1001to 2,000	123	1.0226	183250	1.6751
2001 to 3000	48	0.3991	122288	1.1179
3001 to 4000	34	0.2827	128951	1.1788
4001 to 5000	34	0.2827	162476	1.4852
5001 to 10,000	31	0.2577	256603	2.3457
10,001 and above	46	0.3824	8266643	75.5676
<b>Total</b>	<b>12,028</b>	<b>100.0000</b>	<b>10939400</b>	<b>100.0000</b>

Shareholding Pattern ( as on 31<sup>st</sup> March, 2015)

Serial No	Category	No of shares	% of shareholding
<b>A</b>	<b>Promoters holding</b>		
1	Promoters		
	Indian Promoters	7676649	70.1743
	Foreign Promoters	Nil	Nil
	Sub Total	7676649	70.1743
<b>B</b>	<b>Non-Promoter's Shareholding</b>		
2.	Institutional Investors		
A	Mutual Funds and UTI	Nil	Nil
B	Banks, Financial Institutions , Insurance Companies	100	0.0009
<b>C</b>	<b>FIIS</b>	Nil	Nil
	Sub Total	100	0.0009
3	Others		
A	Private Corporate Bodies	36129	0.3303
B	Indian Public	3101562	28.3522
<b>C</b>	<b>NRIS / OCBS</b>	102485	0.9368
<b>D</b>	<b>Any Others</b>	22475	0.2055
	Sub Total	3262751	29.8257
	<b>Grand Total</b>	<b>10939400</b>	<b>100</b>

**X) Dematerialization of Shares :**

The equity share of the Company have been admitted for dematerialization on NSDL and CDSL effective from 10<sup>th</sup> March, 2008 and 23<sup>rd</sup> January, 2008 respectively and ISIN NO. - INE 013J01016 has been allotted to the Company.

As on 31<sup>st</sup> March , 2015 11,22,500 equity shares viz10 .26 % of the paid -up equity share capital has been dematerialized.

**XI) Outstanding GDRs/ADRS/Warrants or Any Convertible Instruments, conversion date and likely impact on equity.**

Not issued.

**XII) Plant Location : Gat No 357, Kharabwadi, Chakan Talegaon Road, Chakan 410501, Taluka Khed, District Pune.**

**XIII) Address for correspondence : Shareholder's Correspondence can be addressed to :**

**1. Link Intime India Private Limited :**

**Head Office :** C-13,Pannalal Silk Mills Compound  
L.B.S. Marg Bhandup, Mumbai 400078  
Telephone No : ( 022 ) 25963838  
Fax No : ( 022) 25946979

**Pune Office :** Block No 202, Second Floor, Akshay Complex,  
Dhole Patil Road ,Pune -411001  
Telephone No (020) 26163503, 26161629  
E-mail ID : pune@linkintime.co.in

**2. The Company Secretary**

Rajkumar Forge Limited  
18,Shivaji Housing Society  
Off Senapati Bapat Road,  
Pune - 411016  
Tel : 25639050,25639051,25639052  
Fax : 25639049  
Email : [secretarial@rkforge.in](mailto:secretarial@rkforge.in), [invest@rkforge.in](mailto:invest@rkforge.in)

**Code of Conduct**

The Board of Rajkumar Forge Limited has laid down a code of conduct for all Board Members and Senior Management of the Company. As required by Clause 49 ( E ) ( 2 ) all the Board Members and Senior Management have affirmed compliance of code of conduct of the Company . The Managing Director has also confirmed and certified the same to the Board of Directors.

Your directors wish to place on record their appreciation for the positive co-operation received from Bank of Baroda, Bankers of the Company. The directors also wish appreciate contributions made by employees of the Company at all levels.

**For and on behalf of the Board of Directors**

**Place : Pune  
Date : 9<sup>th</sup> May, 2015**

**Rajkumar.S.Kothavale  
Managing Director**

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**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

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**To The Members of,**

**Rajkumar Forge Limited.**

We have examined the compliance of conditions of Corporate Governance by Rajkumar Forge Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Equity Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

**Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No 103523W

Partner

Membership No.: 048650

Place: Pune

Date: May 09, 2015

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

**FINANCIAL HIGHLIGHTS**

	<b>31.03.2015</b> <b>(₹ Lacs)</b>	<b>31.03.2014</b> <b>(₹ Lacs)</b>
Profit /( Loss) for the year before interest, Financial Charges & Depreciation Less :	<b>377.57</b>	237.88
Interest, Financial Charges for the year	<b>17.10</b>	101.48
Depreciation	<b>104.49</b>	80.34
Profit/ (Loss) for the year	<b>255.98</b>	56.06
Add/ (Less) Provision for Income Tax	<b>(55.18)</b>	(10.07)
Add / (Less) Deferred Tax	<b>(94.72)</b>	20.06
Net Profit/( Loss) for the period	<b>106.06</b>	25.31

**DIVIDEND :**

Your Directors do not recommend a dividend for the financial year ended 31<sup>st</sup> March, 2015.

**OPERATIONS:**

During the year under consideration, customer order position was not satisfactory. Sales income is at ₹ 2811.33 Lacs compared to previous years ₹ 3325.67 Lacs . Exports decreased from ₹ 3020.29 Lacs ( previous year) to ₹ 2237.53 Lacs. The Company is expecting to improve Export Sales for the year 2015-2016. The Company has earned net profit of ₹ 106.06 Lacs during the financial year 2014-2015.

**CAPACITY EXPANSION AND MODERNISATION**

The Company has initiated a program of modernization of heat treatment facilities and press modernization to remove constraints in production and improve turnover of the company with planned capital expenditure .

**CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 relating to Corporate Social Responsibility of the Companies Act 2013 are not applicable to the Company.

**WHISTLE BLOWER POLICY**

The Company has formulated Whistle Blower Policy as per requirements of Companies Act, 2013 wherein employees and other stake holders are free to report any un-ethical or improper activity ,actual or supposed fraud or violation of companies code of conduct. This mechanism also provides safeguards against victimization of employees ,who avail of the mechanism.

**PUBLIC DEPOSITS:**

During the period under review your company has not accepted any fixed deposits from the public.

**CLARIFICATION ON AUDIT QUALIFICATIONS:**

There were no audit qualifications raised by the Statutory Auditors.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your directors confirm that:

- 1) In the preparation of the Annual Accounts for the financial year ended March 31, 2015 , the applicable accounting standards have been followed along with proper explanations relating to material departures ,if any.

- 2) The Directors have selected accounting policies and have applied them consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for the financial year under review .
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts for the financial year ended March 31, 2015 on " going concern basis".
- 5) The Directors had laid down internal financial controls to be followed by the Company and that such internal controls were adequate and operating effectively.
- 6) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DIRECTORS :**

Mr. Shantanu.R.Kothavale retires by rotation at this Meeting and being eligible, offers himself for re-appointment.

Mrs. Ratnaprabha.R.Kothavale who was appointed as additional director and women director up to the 25<sup>th</sup> Annual General Meeting and being eligible, offers herself for appointment as director.

The brief resume and other details relating to the appointment of Directors form part of the Report on Corporate Governance.

**AUDITORS :**

The members of the Company have in the 24<sup>th</sup> Annual General Meeting of the Company held on 11<sup>th</sup> August, 2014, appointed Haribhakati and Company LLP for the period of five years subject to ratification at subsequent annual general meeting. You are requested to ratify appointment of Haribhakti and Company LLP, to hold the office from the conclusion of ensuing Annual General Meeting for a period of remaining four years, as statutory auditors of the Company.

**PERSONNEL :**

There are no employees in respect of whom particulars are required to be disclosed pursuant to Companies Act ,2013.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The additional information required under the provisions of Section 134 of the Companies Act, 2013, read with the Companies Accounts Rule 2014 and forming a part to this report I is given in Annexure A to this report.

**SECRETARIAL AUDIT:**

Company is attending to the observation of secretarial auditor.

**ACKNOWLEDGEMENTS :**

Your Directors wish to express their deep sense of gratitude to the Bank Of Baroda for their continued guidance and support. The Directors would also like to place on record sincere appreciation for the commitment, dedication and hard work put in by the employees of the Company.

Directors are deeply grateful for the confidence and faith reposed by shareholders of the Company.

**FOR AND ON BEHALF OF THE BOARD**

Place : Pune                      **SWASTIK SIRSIKAR**                      **R.S.KOTHAVALA**  
Date: 9th May, 2015.                      **DIRECTOR**                      **MANAGING DIRECTOR**



**ANNEXURE TO DIRECTORS REPORT - I**

**ANNEXURE-A**

Information required under Section 134 of the Companies Act, 2013 read with Rule 8(3) of Companies Accounts Rules.

**A. Conservation of Energy**

**a. Energy conservation measures**

The Company has installed additional 1600 Tons Press Complex with integrated manipulator and ingot truck ,rotary table , equipped with Computer control. This is very high-speed press with computer C.N.C. control which results into optimum productivity and reduction in energy cost. The Company has also installed winflox an energy saving device .Company has undertaken press modernization program and use of clean energy resource viz gas to reduce pollution levels and increasing efficiency of furnaces.

- b. Impact of measures under (a) above : The Company has operated on optimal cost and is able to reduce energy cost.
- c. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in Schedule thereto

**POWER AND FUEL CONSUMPTION**

		<b>2014-2015</b>	<b>2013-2014</b>
1.	Electricity Purchase		
	Units ( inKWH)	858300	1426540
	Total Cost (₹)	8389820	11285430
	Rate/Unit (₹)	9.77	7.91
2.	Fuel		
	Oil Quantity (K.L)	600.22	1632.62
	Total Cost (₹)	34234803	93058001
	Rate/K(Ltrs)	57,037	56,999
3.	Maharashtra Natural Gas		
	Gas Quantity	12 ,777	NIL
	Total Cost (₹)	3330197	NIL
	Rate	1043	NIL

**CONSUMPTION PER UNIT OF PRODUCTION**

1.	Steel Forging Production ( MT)	1166.510	1785.392
	Electricity ( Unit- KWH )	735.78	799.00

**B. Technology Absorption Research and Development ( R & D)**

- 1. Specific Areas in which R & D Activity is being carried on by the Company
  - Development of new products
  - Improvement of product quality
  - Process Improvement
  - Cost effectiveness
  - Cost reduction
- 2. Benefits derived out of above R & D : The Company is confident of improvement in product quality as well as being cost effective.
- 3. Future plan of action

The Company's efforts will continue in the areas of development of new and critical forgings and improvement in quality . The Company possesses the necessary technology for manufacturing of forgings.

**C. Foreign Exchange Earnings and outgo**

	<b>2014-2015</b>	<b>2013-2014</b>
Foreign Exchange inflow		
FOB value of Exports (₹ Lacs)	2237.53	3020.29
Others	NIL	NIL
Foreign Exchange outflow (₹ Lacs)	6.67	21.80

**ANNEXURE TO DIRECTORS REPORT - II**

**ANNEXURE-B**

**Form No MGT-9**

Extract of Annual Return

As on Financial Year Ended 31<sup>st</sup> March,2015

[Pursuant to section92 ( 3) of Companies Act 2013 and Rule 12(1) of Companies ( Management and Administration) Rules,2014

**1. REGISTRATION AND OTHER DETAILS**

1	CIN	L28910PN1990PLC056985
2	Registration Date	22 <sup>nd</sup> June,1990
3	Name of the Company	Rajkumar Forge Limited
4	Category/Sub-category of the Company	Public Company limited by shares
5	Whether Listed Company	Yes
6	Name ,Address and Contact Details of Transfer Agents if any	LINK INTIME INDIA PRIVATE LIMITED Block No 202,2 <sup>nd</sup> Floor, Akshay Complex, Near Ganesh Temple, Dhole Patil Road,Pune-411001 Phone:- ( 020) 26161629,26160084 Fax :- (020) 26163503 E-Mail: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a> , Web : <a href="http://www.linkintime.com">www.linkintime.com</a>

**2. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

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

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1	Open Die Forgings Raw and Proof Machined Conditions	2891	100%

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

Sr. No	Name and Address of the Company	CIN/ GIN	Holding and Subsidiary of the Company	% of shares held	Applicable Section
N.A	N.A	N.A	N.A	N.A	N.A

**4. SHAREHOLDING PATTERN ( Equity Share Capital Break up as percentage of Total Equity)**

i) Category-wise Share Holding of the Company

Category	No of shareholders	No of shares held	% to capital
Promoters	27	7676649	70.1743
Financial Institutions	1	100	0.0009
Bodies Corporate	45	36129	0.3303
Indian Public	11,942	3101562	28.3522
N.R.I	7	102485	00.9369
Clearing Member	6	22,475	00.2054
<b>Total</b>	<b>12,028</b>	<b>1,09,39,400</b>	<b>100.00</b>

ii) Shareholding of Promoters

1.	Kothavale Rajkumar Shankarrao	47,22,249	43.17
2.	Kothavale Shantanu	5,04,100	4.608
3.	Shantanu.R.Kothavale	5,00,000	4.570
4.	Anil.A.Kothavale	1,20,000	1.096
5.	Kothavale Shashikant	55,400	0.506
6.	Kothavale Treupti Ravindra	50,000	0.457
7.	Ratnaprabha R Kothavale	10,500	0.095
8.	Kothavale Ratnaprabha	10,000	0.914
9.	Kothavale Basava	4,000	0.036
10.	Kothavale Kishori	1,000	0.009
11.	Amit Prabhakar Kore	50,000	0.457
12.	Rajkumar Kothavale	200	0.001
13.	Swastik Sirsikar	5,000	0.045
14.	Sirsikar Shailaja	2,500	0.023
15.	Swami Sirsikar Mahadevi	2,500	0.023

16. Swastik Sirsikar	100	0.0009
17. Asha Prabhakar Kore	5,20,000	4.753
18. Kore Prabhakar Basavprabhu	1,60,100	1.463
19. Asha Prabhakar Kore	1,20,000	1.096
20. Amit P Kore	3,30,000	3.016
21. Preeti P Kore	2,12,500	1.942
22. Deepti P Kore	2,10,000	1.919
23. Deepti Avinash Aradhye	25,000	0.022
24. Kore Prabhakar Basappa	10,000	0.091
25. Anil Kothavale	51,500	0.470
<b>Total</b>	<b>7676649</b>	<b>70.1743</b>

iii) Change in Promoters Shareholding : is 2,39,749 viz 2.196

iv) Shareholding Pattern of top ten Shareholders ( other than Directors, Promoters and Holders of GDRS and ADRS)

1. Mahendra Girdharilal	50,192	0.4588
2. Pai Dayananda	50,000	0.4571
3. Shadakshari S	50,000	0.4571
4. Shailendra Agarwal	24,037	0.2197
5. Rajesh Ramanlal Shah	22,000	0.2011
6. Gurling Masali	21,600	0.1975
7. Pradeep.R.Datar	21,000	0.1920
8. Virgi Shrikant Veerappa	20,000	0.1828
9. Shah Kirti Rajesh	19,900	0.1819
10. Vinod Kumar Parwal	17,700	0.1618
<b>Total</b>	<b>2,96,429</b>	<b>2.7098</b>

vi) Shareholding of Directors and Key Managerial Personnel

		% to paid up capital
1. S.Padmanabhan	Nil	Nil
2. R.S.Kothavale	47,22,249	43.17
3. S.R.Kothavale	10,04,100	9.17
4. Pradeep Bhargava	Nil	Nil
5. Swastik Sirsikar	5100	0.046
6. Ratnaprabha Kothavale	20,500	0.187

## 5. INDEBTEDNESS

Particulars	Secured Loans excluding Deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 1 <sup>st</sup> April 2014				
1. Principal Amount	153755850	NIL	NIL	153755850
2. Interest Due but not paid	NIL	NIL	NIL	NIL
3. Interest Accrued but not due	NIL	NIL	NIL	NIL
Total of (1+2+3)	153755850	NIL	NIL	153755850
Change in Indebtedness during the financial year				
+ Addition	NIL	NIL	NIL	NIL
-Reduction	53163074	NIL	NIL	53163074
Net Change	53163074	NIL	NIL	53163074
Indebtedness at the beginning of the financial year 31 <sup>st</sup> March, 2015				
1. Principal Amount	100592776	NIL	NIL	100592776
2. Interest Due but not paid	NIL	NIL	NIL	NIL
3. Interest Accrued but not due	NIL	NIL	NIL	NIL
Total of (1+2+3)	100592776	NIL	NIL	100592776

## 7. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

REMUNERATION TO MANAGING DIRECTOR ,WHOLE TIME DIRECTOR AND MANAGER

Particulars of payments	Name of Director	Total Amount (₹)
Salary and perquisites	R.S,Kothavale	17,29,952

REMUNERATION OF OTHER DIRECTORS

**1. Independent Directors**

Particulars of payments	Name of Director	Total Amount (₹)
Sitting Fees	S.Padmanabhan	50,000
Sitting Fees	Pradeep Bhargava	1,00,000
Sitting Fees	Swastik Sirsikar	1,00,000

**2. Other Non-Executive Directors**

Particulars of payments	Name of Director	Total Amount (₹)
Sitting Fees	Shantanu.R.Kothavale	30,000

**3. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD**

Sr. No	Particulars of Remuneration	Name of KMP	Total Amount (₹)
1	Salary	Vijay.V.Kulkarni Company Secretary	5,19,100/- per annum

**ANNEXURE TO DIRECTORS REPORT - III**

**FORM NO. MR-3**

**Secretarial Audit Report**

**for the financial year ended March 31, 2015**

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

To,  
The Members,  
Rajkumar Forge Limited  
18, Shivaji Co-Op Housing Society  
Off Senapati Bapat Road,  
Pune - 411016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rajkumar Forge Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Rajkumar Forge Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and the representations and clarifications made by the Company,

we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Rajkumar Forge Limited for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period);

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

- (i) Secretarial Standards with respect to board and general meetings issued by The Institute of Company Secretaries of India (not applicable as on the date of this Report).
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below:

- 1. The company has not filed Forms MGT 14 for the approval of quarterly financial results, approval of financial statement and Board's Report, disclosure of directors interest and appointment of Secretarial Auditor during the period under review.**
- 2. The company needs to file 'Foreign Assets Liability' (FLA) statements with the Reserve Bank of India.**

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, **except that form DIR 12 was filed after 30 days from the date of appointment of Mrs. Ratnaprabha Kothavale as director.**

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

**For SB and Company**  
Company Secretaries

**Abhijit Barje**  
Partner

Pune  
May 9, 2015

FCS No.: 6979 CP No.: 12567

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

**APPENDIX A**

To,  
The Members  
Rajkumar Forge Limited  
18, Shivaji Co-Op Housing Society  
Off Senapati Bapat Road,  
Pune - 411016

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SB and Company**  
Company Secretaries

**Abhijit Barje**  
Partner

Pune  
May 9, 2015

FCS No.: 6979 CP No.: 12567

## INDEPENDENT AUDITOR'S REPORT

## To the Members of Rajkumar Forge Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Rajkumar Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Atul Gala

Partner

Membership No.48650

Place: Pune

Date: May 09, 2015

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Rajkumar Forge Limited on the standalone financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. There is no inventory lying with third parties. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed

- amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not obtained any term loans.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

**For Haribhakti & Co. LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No.103523W**

**Place: Pune**  
**Date: May 09, 2015**

**Atul Gala**  
**Partner**  
**Membership No.48650**

**Balance Sheet as at March 31, 2015**

Particulars	Note No	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	<b>109,394,000</b>	109,394,000
(b) Reserves and Surplus	3	<b>136,112,201</b>	126,461,784
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	<b>207,670</b>	969,555
(b) Deferred tax liabilities (Net)	5	<b>5,541,871</b>	0
(c) Other Long term liabilities	6	<b>20,000</b>	20,000
(d) Long term provisions	7	<b>6,287,403</b>	4,934,655
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	<b>100,592,776</b>	153,755,850
(b) Trade payables	9	<b>29,075,747</b>	29,401,979
(c) Other current liabilities	10	<b>10,905,885</b>	20,550,485
(d) Short-term provisions	11	<b>1,666,775</b>	1,541,557
<b>Total</b>		<b>399,804,328</b>	447,029,864
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>			
(i) Tangible assets	12	<b>145,578,633</b>	116,235,238
(ii) Intangible assets		<b>457,722</b>	497,861
(iii) Capital work-in-progress		<b>49,131,046</b>	45,899,012
(b) Deferred tax assets (net)	5	<b>0</b>	3,931,079
(c) Long term loans and advances	13	<b>3,846,595</b>	17,296,318
(d) Other non-current assets	14	<b>12,500,000</b>	12,500,000
<b>(2) Current assets</b>			
(a) Inventories	15	<b>47,583,997</b>	91,260,721
(b) Trade receivables	16	<b>46,910,104</b>	40,037,756
(c) Cash and Bank Balance	17	<b>30,228,799</b>	28,938,879
(d) Short-term loans and advances	18	<b>63,567,432</b>	90,433,000
<b>Total</b>		<b>399,804,328</b>	447,029,864

The accompanying notes are an integral part of the financial statements.

**In terms of our report of even date**

**For and on behalf of the Board of Directors**

**For HARIBHAKTI & CO LLP**

**Chartered Accountants**

Firm Registration No 1103523W

**ATUL GALA**

**VIJAY.V.KULKARNI**

**R.S.KOTHAVALA**

**SWASTIK SIRISIKAR**

**PARTNER**

**COMPANY SECRETARY**

**MANAGING DIRECTOR**

**DIRECTOR**

Membership No.48650

Membership No. A20665

DIN NO. 00146524

DIN NO. 00552722

**Place: Pune**

**Date: May 09, 2015**



**Statement of Profit and Loss for the Year Ended March 31, 2015**

Particulars	Note No	Year Ended 31/03/2015 (₹)	Year Ended 31/03/2014 (₹)
I. Revenue from operations	19	<b>266,625,947</b>	331,387,033
II. Other Income	20	<b>14,507,557</b>	1,179,720
<b>III. Total Revenue (I +II)</b>		<b>281,133,503</b>	332,566,753
<i>III. Expenses:</i>			
Cost of materials consumed	21	<b>72,977,007</b>	117,727,544
Changes in inventories of finished goods and work-in-progress	22	<b>36,198,676</b>	(7,923,901)
Employee benefit expense	23	<b>31,269,814</b>	26,625,675
Financial costs	24	<b>1,710,338</b>	10,147,718
Depreciation and amortization expense	12	<b>10,449,234</b>	8,034,657
Other expenses	25	<b>110,778,598</b>	172,348,285
<b>IV.Total Expenses</b>		<b>263,383,667</b>	326,959,978
IV. Profit before exceptional items and tax (III-IV)		<b>17,749,836</b>	5,606,775
V. Exceptional Items (Refer Note 28)		<b>7,848,382</b>	0
<b>VI. Profit before tax (IV - V)</b>		<b>25,598,218</b>	5,606,775
VII. Tax expense:			
(1) Current tax		<b>5,518,457</b>	1,070,000
(2) Deferred tax		<b>9,472,950</b>	2,006,071
<b>VIII. Profit/(Loss) for the period (VI - VII)</b>		<b>10,606,811</b>	2,530,704
IX. Earning per Equity Share:			
1) Basic & Diluted		<b>0.97</b>	0.23

The accompanying notes are an integral part of the financial statements.

**In terms of our report of even date**

**For HARIBHAKTI & CO LLP**

**Chartered Accountants**

Firm Registration No 1103523W

**For and on behalf of the Board of Directors**

**ATUL GALA**

**PARTNER**

Membership No.48650

**VIJAY.V.KULKARNI**

COMPANY SECRETARY

Membership No. A20665

**R.S.KOTHAVALA**

MANAGING DIRECTOR

DIN NO. 00146524

**SWASTIK SIRISIKAR**

DIRECTOR

DIN NO. 00552722

**Place: Pune**

**Date: May 09, 2015**

**Cash Flow Statement for the year ended 31 March, 2015**

Particulars	For the year ended 31 March, 2015 (₹)		For the year ended 31 March, 2014 (₹)	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		17,749,836		5,606,775
<i>Adjustments for:</i>				
Depreciation and amortisation	10,449,234		8,034,657	
Finance costs	10,865,833		13,906,513	
Interest income	(1,587,354)		(1,179,720)	
Other non-cash charges (Short Provision for Taxation & refunds)	0		(1,552,947)	
Net unrealised exchange (gain) / loss	22,075,698	41,803,411	6,423,895	25,632,398
Operating profit / (loss) before working capital changes		59,553,247		31,239,173
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	43,676,724		9,320,740	
Trade receivables	(6,872,348)		45,262,550	
Short-term loans and advances	26,865,568		59,025,221	
Long-term loans and advances	13,449,723		(4,236,929)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(326,232)		5,478,600	
Other current liabilities	(9,644,600)		(15,263,498)	
Short-term provisions	125,218		(9,947,643)	
Long-term provisions	1,352,748	68,626,801	347,059	89,986,100
Cash flow from extraordinary items				
Cash generated from operations		128,180,048		121,225,273
Net income tax (paid) / refunds		(5,518,457)		(1,070,000)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>122,661,591</b>		<b>120,155,273</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(43,940,916)		(89,756,940)	
Proceeds from sale of fixed assets	7,848,382		0	
Interest received				
- Others	1,587,354		1,179,720	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(34,505,180)</b>		<b>(88,577,220)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings				
Repayment of long-term borrowings	(761,885)		(1,973,313)	
Net increase / (decrease) in working capital borrowings	(53,163,075)		18,675,458	
Proceeds from other short-term borrowings	0		(3,012,910)	
Finance cost	(10,865,833)		(13,906,513)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(64,790,793)</b>		<b>(217,278)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>23,365,618</b>		<b>31,360,775</b>
Cash and cash equivalents at the beginning of the year		28,938,879		4,001,999
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(22,075,698)		(6,423,895)
<b>Cash and cash equivalents at the end of the year</b>		<b>30,228,799</b>		<b>28,938,879</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		30,228,799		28,938,879

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**In terms of our report of even date**

**For HARIBHAKTI & CO LLP**

**Chartered Accountants**

Firm Registration No 1103523W

**ATUL GALA**

**PARTNER**

Membership No.48650

**VIJAY.V.KULKARNI**

**COMPANY SECRETARY**

Membership No. A20665

**R.S.KOTHAVALA**

**MANAGING DIRECTOR**

DIN NO. 00146524

**SWASTIK SIRISIKAR**

**DIRECTOR**

DIN NO. 00552722

**Place: Pune**

**Date: May 09, 2015**

**For and on behalf of the Board of Directors**

Notes to Accounts forming part of the Financial Statements for the Year Ended ended on 31st March 2015

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>2. Share Capital</b>				
a) Details of authorised, issued, subscribed and paid up capital				
<b>Authorised Share Capital</b>				
1,25,00,000 (P Y 1,25,00,000) Equity Shares of ₹ 10/- each		125,000,000		125,000,000
7,50,000 (P Y 7,50,000) 4% Redeemable Non Cumulative Preference Shares of ₹ 10/- each		7,500,000		7,500,000
<b>Total</b>		<b>132,500,000</b>		<b>132,500,000</b>
<b>Issued, Subscribed and Paid Up Shares</b>				
1,09,39,400 (P.Y:1,09,39,400) Equity Shares of ₹10/- each, fully paid up		109,394,000		109,394,000
b) Reconciliation of No. of Shares				
Shares outstanding at the beginning of the year		10,939,400		10,939,400
Shares issued during the year		0		0
Shares bought back during the year		0		0
Shares outstanding at the end of the year		10,939,400		10,939,400
c) Details of rights attached to equity shares				
The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.				
d) Details of shareholders holding shares more than 5 % of the total paid capital				
Rajkumar S. Kothavale		45,81,500		45,81,500
		(41.88%)		(41.88%)
<b>Total</b>		<b>109,394,000</b>		<b>109,394,000</b>
<b>3. Reserves and Surplus</b>				
a) Capital Redemption Reserve				
Opening Balance	5,000,000		5,000,000	
(+)Current Year Transfer	0		0	
(-)Written back in Current Year	0		0	
Closing Balance	5,000,000		5,000,000	
b) Capital Reserves				
Opening Balance	3,000,000		3,000,000	
(+)Current Year Transfer	0		0	
(-)Written back in Current Year	0		0	
Closing Balance	3,000,000		3,000,000	
c) General Reserves				
Opening Balance	16,099,846		15,890,706	
(+)Current Year Transfer	0		209,140	
(-)Written back in Current Year	0		0	
Closing Balance	16,099,846	<b>24,099,846</b>	16,099,846	<b>24,099,846</b>
d) Surplus				
Opening Balance	102,361,938		101,593,321	
(+) Excess (Short ) provision for taxation and Tax refunds	0		(1,552,947)	
(+) Current years profit	10,606,811		2,530,704	
(-) Appropriations;				
Depreciation Retained	(956,393)			
Transfer to General Reserve	0		(209,140)	
<b>Total</b>		<b>112,012,355</b>		<b>102,361,938</b>
		<b>136,112,201</b>		<b>126,461,784</b>

Particulars	₹	As at	₹	As at
		March 31, 2015		March 31, 2014
		₹		₹
<b>4. Long Term Borrowings</b>				
Unsecured				
Deffered payment liabilities (Sales Tax Deferral)		207,670		969,555
<b>Total</b>		<b>207,670</b>		<b>969,555</b>
<b>5. Deferred tax liabilities / (Deferred tax assets) (Net)</b>				
<b>Deferred Tax Liabilities</b>				
Related to fixed assets		8,359,712		12,359,003
Deferred Tax Liabilities		<b>8,359,712</b>		<b>12,359,003</b>
<b>Deferred Tax Assets</b>				
Disallowance under section 43-B		2,580,733		15,778,820
Accrual for Expenses Allowable on payments		237,108		511,262
Total Deferred Tax Assets		<b>2,817,841</b>		<b>16,290,082</b>
Net Deferred Tax Asset (Liability)		<b>5,541,871</b>		<b>(3,931,079)</b>
<b>6. Other Long Term Liabilities</b>				
Deposits		20,000		20,000
<b>Total</b>		<b>20,000</b>		<b>20,000</b>
<b>7. Long Term Provisions</b>				
Provision for employee benefit				
Gratuity	4,810,273		3,780,351	
Leave encashment	1,477,130		1,154,304	
<b>Total</b>		<b>6,287,403</b>		<b>4,934,655</b>
<b>8. Short Term Borrowings</b>				
<b>Secured</b>				
Loans repayable on demand				
Cash credit from banks	64,674,978		100,231,855	
Secured by way of hypothecation of the Company's Stocks and Book Debts, both present and future and also secured by charge on Company's immovable properties, both present and future, Personal Guarantee by the Managing Director of the Company Mr. R. S. Kothavale. The cash credit is repayable on demand & carries interest rate @13.25%				
Buyers credit from bank	35,917,798		53,523,995	
Secured by way of hypothecation of the Company's Stocks and Book Debts, both present and future and also secured by charge on Company's immovable properties, both present and future, Personal Guarantee by the Managing Director of the Company Mr. R. S. Kothavale. The buyers credit is repayable on due date & carries interest rate ranging from @ 2.348% p.a. to 3.341% p.a.				
<b>Total</b>		<b>100,592,776</b>		<b>153,755,850</b>
<b>9. Trade Payables</b>				
Trade Payables		29,075,747		29,401,979
<b>Total</b>		<b>29,075,747</b>		<b>29,401,979</b>
<b>10. Other Current Liabilities</b>				
a) Current maturities of long term borrowings	0		631,298	
b) Unpaid dividends on Equity Shares*	5,077,410		5,106,170	
c) Other Payables				
Advances from Customers	1,805,186		5,013,225	
Forward Contract (Net)	0		4,325,757	
Employee benefits payable	934,351		810,000	
Provision for Expenses	3,088,938		4,664,035	
<b>Total</b>		<b>10,905,885</b>		<b>20,550,485</b>
<b>11. Short Term Provisions</b>				
Provision for employee benefit				
Gratuity	1,224,871		1,200,155	
Leave encashment	441,904		341,402	
<b>Total</b>		<b>1,666,775</b>		<b>1,541,557</b>

Note No 12 - Fixed Assets And Depreciation

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31/3/2014	Additions	Deductions	As at 31/3/2015	Up to 31/3/2014	Additions	Deductions	Up to 31/3/2015	As at 31/3/2015	As at 31/3/2014
	TANGIBLE ASSETS (NOT UNDER LEASE)										
A	Freehold Land	1,522,596	0	151,618	1,370,978	0	0	0	0	1,370,978	1,522,596
B	Buildings	34,898,853	13,627,165		48,526,018	11,072,328	3,233,910	0	14,306,238	34,219,780	23,826,525
C	Plant and Machinery	235,908,189	27,213,387	0	263,121,576	152,419,725	6,584,264	0	159,003,989	104,117,587	83,488,464
D	Furniture & Fixtures	4,964,075	19,948	0	4,984,023	1,945,596	573,347	0	2,518,943	2,465,080	3,018,479
E	Vehicles	6,479,973	0	0	6,479,973	2,100,794	973,968	0	3,074,762	3,405,211	4,379,179
	<b>Subtotal</b>									<b>145,578,636</b>	<b>116,235,242</b>
	INTANGIBLE ASSETS										
A	Software	1,294,572	0	0	1,294,572	796,711	40,138	0	836,849	457,723	497,861
	CAPITAL WORK IN PROGRESS	0	0	0	0	0	0	0	0	49,131,046	45,899,012
	<b>TOTAL</b>	<b>285,068,258</b>	<b>40,860,500</b>	<b>151,618</b>	<b>325,777,140</b>	<b>168,335,155</b>	<b>11,405,627</b>	<b>0</b>	<b>179,740,782</b>	<b>195,167,404</b>	<b>162,632,115</b>
	Previous Year Total	237,535,326	47,532,929	0	285,068,255	160,300,501	8,034,657	0	168,335,158	162,632,111	80,909,827

In respect of the respective assets the remaining useful life is 'Nil', so their carrying amount after retaining the residual value (₹ 9,56,393/-) as on 1st April, 2014 as determined by the management / expert has been adjusted against the opening balance of retained earnings as on that date.

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>13. Long Term Loans &amp; Advances</b>				
a) Capital Advances;	482,065		13,931,788	
b) Security Deposits;	3,364,530		3,364,530	
<b>Total</b>		<b>3,846,595</b>		<b>17,296,318</b>
<b>14. Other Non Current Assets</b>				
Margin money with original maturity for more than 12 months (Pledged for 10% margin money towards letter of credit and bank guarantee)	12,500,000		12,500,000	
<b>Total</b>		<b>12,500,000</b>		<b>12,500,000</b>
<b>15. Inventories (Valued at cost or net realizable value, whichever is less)</b>				
a) Raw Materials	16,345,064		24,856,911	
b) Work in Progress	22,126,302		57,763,427	
c) Goods in Transit	677,216		0	
d) Stores, Spares & Loose tools	8,435,415		8,640,383	
<b>Total</b>		<b>47,583,997</b>		<b>91,260,721</b>
<b>16. Trade Receivables</b>				
Trade receivable outstanding for a period less than six months				
Secured, considered good	0		0	
Unsecured, considered good	38,863,355		38,651,158	
Less: Provision for doubtful debts	0		0	
	38,863,355		38,651,158	
Trade receivable outstanding for a period exceeding six months				
Secured, considered good	0		0	
Unsecured, considered good	8,046,749		1,386,598	
Less: Provision for doubtful debts	0		0	
	8,046,749		1,386,598	
<b>Total</b>		<b>46,910,104</b>		<b>40,037,756</b>
<b>17. Cash and Bank Balance</b>				
a) Balances with Banks				
i) In Current Accounts	25,004,806		20,043,146	
ii) In Fixed Deposits towards Margin (within 1yr)	0		3,654,720	
iii) Earmarked balances with HDFC bank for unpaid dividend	5,077,410		5,106,170	
<b>Total</b>	<b>30,082,216</b>		<b>28,804,036</b>	
b) Cash on Hand	146,583		134,843	
<b>Total</b>		<b>30,228,799</b>		<b>28,938,879</b>

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>18. Short-term loans and advances</b>				
Unsecured, Considered good.				
a) Advance to suppliers (including advance to related parties)	10,402,048		13,509,041	
b) Excise Deposits against Exports	7,628,007		14,043,150	
c) Employee Advances	0		41,325	
d) MAT Credit Entitlement	749,608		0	
e) Income Tax (Net of Provision) and Mat credit utilised	669,320		9,291,536	
f) VAT Receivable	35,309,346		37,180,054	
g) Prepaid Expenses	819,523		1,512,839	
h) Balances with government authorities	7,989,580		14,855,055	
<b>Total</b>		<b>63,567,432</b>		<b>90,433,000</b>
<b>19. Revenue From Operations</b>				
<b>I) Gross Sales</b>				
a) Sale of Products	242,382,960		311,275,950	
Less:				
b) Excise Duty	3,515,316		2,245,281	
<b>Total</b>		<b>238,867,644</b>		<b>309,030,669</b>
<b>II) Other Operating Revenues</b>				
a) Export Benefits	2,322,290		8,196,595	
b) Sale of Scrap	9,097,897		10,898,193	
c) Job Work	16,338,116		3,261,576	
<b>Total</b>		<b>266,625,947</b>		<b>331,387,033</b>
<b>20. Other Income</b>				
a) Interest Income	1,587,354		1,179,720	
b) Exchange Gain	12,920,203		0	
<b>Total</b>		<b>14,507,557</b>		<b>1,179,720</b>
<b>21. Cost of Materials Consumed</b>				
Inventory at the beginning	24,856,911		41,917,924	
(+) Purchases	64,465,160		100,666,531	
Inventory at the end	16,345,064		24,856,911	
Cost of Materials Consumed		<b>72,977,007</b>		<b>117,727,544</b>
<b>Details of Raw Material Consumption:</b>				
Alloy & Steel Ingots		72,977,007		117,727,544
<b>22. Changes in inventories of work-in-progress</b>				
Inventories at the end of the year				
Work in Progress	(24,536,893)		(60,735,569)	
Inventories at the beginning of the year				
Work in Progress	60,735,569		52,811,668	
<b>Total</b>		<b>36,198,676</b>		<b>(7,923,901)</b>
<b>23. Employee Benefit Expenses</b>				
a) Salaries & Wages	27,499,863		23,097,692	
b) Contribution to Provident and Other Funds	2,332,411		1,734,339	
c) Staff Welfare Expenses	1,437,540		1,793,644	
<b>Total</b>		<b>31,269,814</b>		<b>26,625,675</b>
<b>24. Finance Costs</b>				
a) Interest Expenses	7,339,915		11,249,078	
b) Other Borrowing Costs:	3,525,918		2,657,435	
c) Net gain/loss on foreign currency transactions & translation	(9,155,495)		(3,758,795)	
<b>Total</b>		<b>1,710,338</b>		<b>10,147,718</b>

Particulars	₹	As at	₹	As at
		March 31, 2015		March 31, 2014
<b>25. Other Expenses</b>				
a) Consumption Of Stores and Spares parts		2,224,767		6,604,787
b) Power & Fuel		55,930,236		105,480,065
c) Rent		1,799,292		1,720,741
d) Repairs to Plant & Machinery		879,369		956,855
e) Insurance		310,936		235,654
f) Rates and Taxes		156,907		229,001
g) Machining Charges		19,453,473		17,810,987
h) Clearing & Forwarding Charges		5,179,885		3,845,567
i) Other Manufacturing Expenses		6,513,046		8,697,777
j) Travelling and Conveyance Expenses		3,529,230		2,466,611
k) Commitment Charges ( Machining)		4,818,875		2,672,402
l) Selling and Administration Expenses		5,969,393		7,065,993
m) Foreign Exchange Loss		0		10,182,690
n) Audit Fees		435,000		415,000
o) Freight		1,939,708		2,636,249
p) Miscellaneous expenses		1,638,481		1,327,906
Excise Duty & Sales taxes paid	1,285,077		1,107,906	
Sales Commission	73,404		0	
Directors Commission	0		0	
Directors' Sitting Fees	280,000		220,000	
<b>Total</b>		<b>110,778,598</b>		<b>172,348,285</b>
<b>Payment to Auditor</b>				
a) As Auditor				
Audit Fees		400,000		380,000
Tax Audit Fees		35,000		35,000
<b>Total</b>		<b>435,000</b>		<b>415,000</b>

**26. Contingent liabilities not provided for in respect of:**

	31.03.2015	31.03.2014
	₹	₹
<b>A) Banks:</b>		
1) Counter Guarantee issued by Bank	15,00,000	15,00,000
2) Letter of Credit issued by Bank on behalf of the Company	1,21,26,305	1,72,50,000
3) Foreign Letter of Credit (Euro) 57,800.60)( P.Y. NIL)	39,42,579	NIL

**27. Capital Commitment :**

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 22,61,501/- (Previous Year ₹ 84,39,669/-).

28. During the year the, Company has sold land of 3645 SQ.Mtrs for ₹ 80,00,000/-. This was as un-used portion of land which was not required for further expansion of the capacity. This has resulted into Long Term Capital Gain of ₹ 78,48,382/-. The Company has made this provision for Income tax payable on this gain also paid Advance Income Tax accordingly. In the Financial statement, this amount is shown as Exceptional Income.

29. Based on the available information with the Company, no vendor is identified as MSME, as defined under "The Micro, Small and Medium Enterprises Development Act, 2006 and accordingly no disclosure has been considered necessary.

30. The year end foreign currency (FC) exposures that has been hedged by a derivative instrument or otherwise :Nil

31. The year end foreign currency (FC) exposures that are un hedged by a derivative instrument or otherwise are as follows:

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		₹ In	FC	₹ In	FC
Receivables in foreign currency	USD	2,75,01,412	4,42,643	2,46,42,079	4,13,042
	GBP	44,66,650	48,720	95,39,068	96,325
Buyers Credit payable	USD	26,02,533	41,376	24,98,175	41,477
	EURO	3,33,15,265	4,88,422	5,10,25,820	6,13,291



**32. Disclosure pursuant to Accounting Standard – 15 ‘Employee Benefits’**
**a. General Description**
*i). Contribution to Provident Fund (Defined Contribution)*

The Company's provident fund scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The expenses charged to the Statement of Profit and Loss under the head Contribution to Provident Fund is ₹ 9,14,230/- (PY ₹ 8,17,447/-)

*ii). Gratuity*

The Company has a gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year provided ₹ 10,54,638/- (PY: ₹ 5,89,189/-) towards gratuity.

**b. The following tables set out disclosures prescribed by AS 15.**
*i) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof: (₹)*

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Present value of obligation as at the beginning of the year:	49,80,506	44,14,233
Interest cost	3,85,989	3,97,281
Current service cost	5,05,307	4,27,865
Benefits paid	(0)	(22,916)
Actuarial (gain) / loss on obligation	1,63,342	(2,35,957)
Closing Present value of obligation	60,35,144	49,80,506

*ii) The amounts recognized in the Balance Sheet are as follows: (₹)*

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of obligation as at the end of the year	60,35,144	49,80,506
Funded value of assets (unfunded)	0	0
Net assets / (liability) recognised in balance sheet	(60,35,144)	(49,80,506)

*iii) The amounts recognized in the Statement of Profit and Loss are as follows: (₹)*

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	5,05,307	4,27,865
Past service cost	0	0
Interest cost	3,85,989	3,97,281
Expected return on plan assets	0	0
Net actuarial (gain) / loss recognized in the year	1,63,342	(2,35,957)
Expenses recognized in the statement of profit and loss	10,54,638	5,89,189

*iv) Actuarial assumption:*

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount Rate	7.75%	9.00%
Rate of increase in compensation levels(p.a.)*	8.00%	8.00%
Expected rate of return	0	0
Withdrawal rate (p.a.)	5.00%	5.00%

*v) Components of Experience Adjustments (₹)*

Particulars	Year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Actuarial (Gains) and Losses on plan assets	0	0	0	0	0
Actuarial (Gains) and Losses on plan liabilities	(3,50,324)	1,70,032	8,50,556	0	0

\* The estimates of future salary increase, considered in actuarial valuation, taken on account of inflation, seniority, promotion & other relevant factors such as supply and demand in the employment market.

**33. Consumption of Raw Material:**

	31.03.2015		31.03.2014	
	Percentage	Value	Percentage	Value
Imported	6.90	50,32,608	32.69	3,84,87,392
Indigenous	93.10	6,79,44,399	67.31	7,92,40,152
<b>Total</b>	<b>100.00</b>	<b>7,29,77,007</b>	<b>100.00</b>	<b>11,77,27,544</b>

**34. Consumption of Components, Stores and Spare Parts:**

	31.03.2015		31.03.2014	
	Percentage	Value	Percentage	Value
Imported	3.75	83,463	6.32	4,17,374
Indigenous	96.25	21,41,304	93.68	61,87,413
<b>Total</b>	<b>100.00</b>	<b>22,24,767</b>	<b>100.00</b>	<b>66,04,787</b>

**35. CIF Value of Imports:**

	31.03.2015	31.03.2014
Raw Materials	0	1,22,32,495
Spares & Components	1,07,753	4,69,969
Capital Goods	30,64,221	4,94,27,794

**36. Expenditure in Foreign Currency:**

	31.03.2015	31.03.2014
Foreign Travel	6,67,793	2,18,095

**37. Earnings in Foreign Currency:**

	31.03.2015	31.03.2014
Export of Goods on FOB basis	22,37,53,414	30,20,29,357

**38. Remittance during the year in foreign currency on account of dividend to non resident share holders were as follows**

	No of Share Holders	00	08
1.	No of equity shares	00	13,79,500
2.	Amount remitted	Nil	20,69,250

**39. Related Party Disclosures:**

Names of Related Parties and description of relationship

Sr No	Particulars	Name Of the Party
1	Key Management Personnel	Mr. R. S. Kothavale
2	Others	Mrs. R. R. Kothavale Mr. S. R. Kothavale Mr. R. S Kothavale (HUF) Ms. Sonal R Kothavale Orient Precision Engineering Pvt Ltd

Note: Related party relationships are as identified by the Company and relied upon by the Auditors.

**a) Remuneration paid or payable to Directors for the year ended 31<sup>st</sup> March 2015**

Name Of the Director	Sitting Fees/ Commission In (₹)	Salary and perquisites In (₹)	Supper Annuation Fund In (₹)	Total In (₹)
Mr. R. S. Kothavale Managing Director	NA	15,94,352/-	1,35,600/-	17,29,952/-
Mr. S. Padmanabhan Chairman	50,000/-	NA	NA	50,000/-
Mr. S. R. Kothavale	30,000/-	NA	NA	30,000/-
Mr. S.M.Sirsikar	1,00,000/-	NA	NA	1,00,000/-
Mr Pradeep Bhargava	1,00,000/-	NA	NA	1,00,000/-

b) Transactions with related party as required by Accounting Standard 18 (Amount in ₹)

Sr No	Particulars	Nature Of Relations	2014-2015	2013-2014
1	Office Rent	Others	17,99,292	17,20,741
2	Machining & Commitment Charges	Others	93,49,553	89,82,616
3	Balance Receivable by RFL Loan Others	Others	92,45,413	1,23,81,365
4	Balance Payable by RFL	Others	NIL	NIL

40. Details of Forward Contracts Outstanding as on 31<sup>st</sup> March 2015.

The Company has entered in to forward contracts to cover the expected receivables against Foreign Exchange Rate Fluctuations. The Forward Contracts outstanding as on 31<sup>st</sup> March 2015 were as under:

Currency	31 <sup>st</sup> March 2015		31 <sup>st</sup> March 2014	
	No of Contracts	Value in Foreign Currency ( US \$ )	No of Contracts	Value in Foreign Currency
USD	0	NIL	8	28,50,000

41. Earning per share of the Company, is as calculated below and in accordance with AS – 20 – “Earnings per share”

A)	Net Profit after tax for the year 2014-2015	Rs 1,06,06,811
B)	Weighted Average No. of Shares of ₹ 10 each	1,09,39,400
C)	Basic and diluted EPS (A/B)	0.97

42. Segment information for the year ended March 31, 2015 as required by AS-17 “Segment Reporting”

As the Company’s business activity falls within a single primary business segment viz “Forgings” the disclosure requirements of Accounting Standard (AS-17) “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

43. Previous year’s figures are regrouped wherever necessary to make them comparable.

**Additional Statements forming the part of Financial Statements**

**1. Significant Accounting Policies :**

**a) Basis of Accounting and preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply in all material aspects with the Accounting Standards(AS) as specified under Section 133 of the Companies Act, 2013 (“the 2013 Act”), read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the 2013 Act, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

**b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements which in management’s opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c) Inventories**

Inventories are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

Items	Methodology of Valuation
Raw materials, components, stores and spares	Lower of Cost/NRV, Cost is determined on a weighted average method. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of Cost/NRV, Cost is determined on a weighted average method. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Goods in Transits are valued exclusive of custom duty, where applicable	
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	

**d) Cash flow statement**

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**e) Depreciation**

- Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013.
- The useful life of an asset is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.
- Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

**f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Sales of goods*

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which is normally on dispatch of goods. Sales are stated net of returns and trade discount. Sales tax and VAT are excluded.

- *Interest income*

Interest income is recognized on time proportion basis.

- *Other Income*

Export Incentives i.e Duty Drawback are accounted on cash basis.

**g) Tangible fixed assets**

Fixed Assets are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

Capital Work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**h) Intangible assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

**i) Foreign Currency Transactions**

- *Initial recognition*

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- *Conversion*

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

- *Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise, except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets, which are included in the cost of fixed assets.

**j) 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 non-current investments.

'Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution, other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.

**k) Retirement and Other Employee Benefits**

*Short term employee benefit*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

*Post employment employee benefits*

*Defined Contribution schemes*

Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

*Defined benefits plans*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

*Other long term employee benefits*

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

**l) Borrowing Cost**

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset, up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

**m) Leases**

Assets taken under leases, where the company assumes substantially all the risks and rewards of ownership are classified as Finance Leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**n) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

**o) Taxation**

Income-tax expense comprises current tax, deferred tax charge or credit, minimum alternative tax (MAT).

*Current tax*

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

*Deferred tax*

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there

is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

*Minimum alternative tax*

Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

**p) Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**q) Provisions and Contingencies**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**In terms of our report of even date**

**For and on behalf of the Board of Directors**

**For HARIBHAKTI & CO LLP**

**Chartered Accountants**

Firm Registration No 1103523W

**ATUL GALA**

**VIJAY.V.KULKARNI**

**R.S.KOTHAVALA**

**SWASTIK SIRISIKAR**

**PARTNER**

**COMPANY SECRETARY**

**MANAGING DIRECTOR**

**DIRECTOR**

Membership No.48650

Membership No. A20665

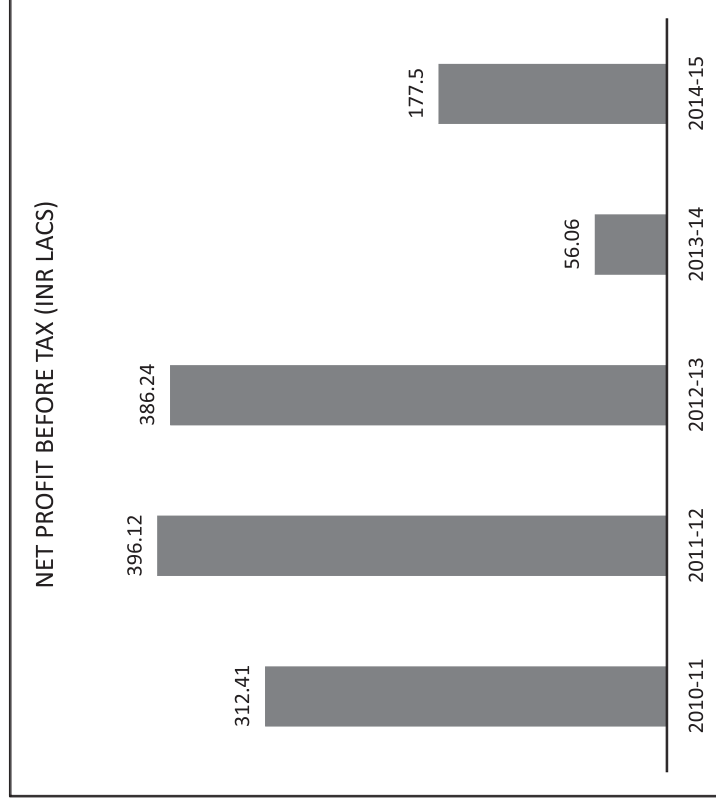
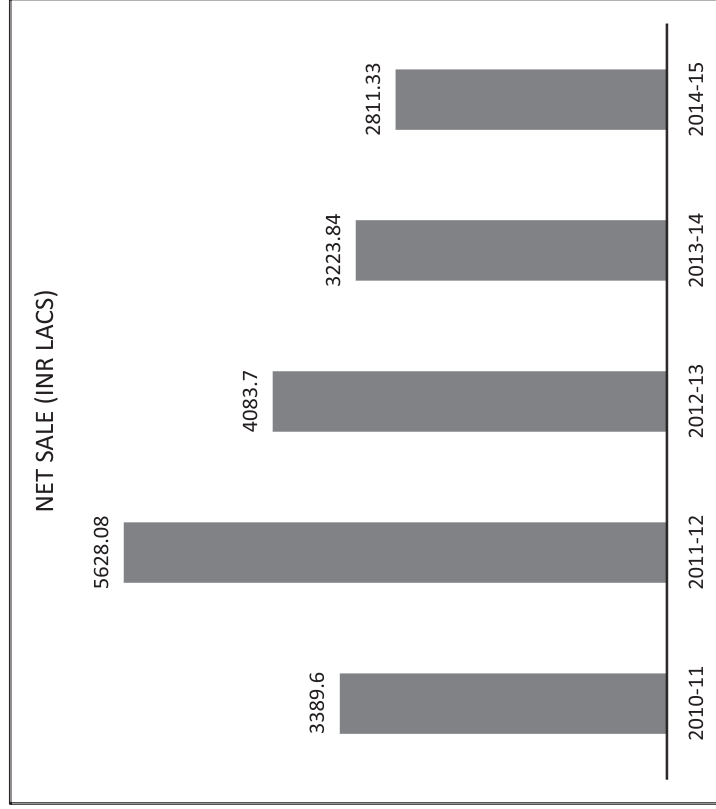
DIN NO. 00146524

DIN NO. 00552722

**Place: Pune**

**Date: May 09, 2015**

RAJKUMAR FORGE LTD.



**RAJKUMAR FORGE LIMITED**

**CIN: L28910PN1990PLC056985**

**Registered Office : "Shivprasad", 18 Shivaji Housing Society ,Off Senapati Bapat Road Pune-411016**

**PROXY FORM**

( Pursuant to Section 105 (6) of the Companies Act,2013 and rule 19(3) of the Companies Management and Administration ) Rules ,2014)

<b>Name of the Member(s) :</b> <b>Registered Address :</b> <b>E-mail ID :</b> <b>Folio No / Client Id :</b> <b>DP ID :</b>
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I/We being members of .....shares of the above named company hereby appoint

- Name \_\_\_\_\_ of..... Address .....having e-mail id \_\_\_\_\_ Signature .....or failing him
- Name \_\_\_\_\_ of..... Address .....having e-mail id \_\_\_\_\_ Signature .....or failing him
- Name \_\_\_\_\_ of..... Address .....having e-mail id \_\_\_\_\_ Signature .....or failing him

as my / our proxy to attend and vote ( on a poll) for me/ us and on my/our behalf at the **Twenty Fifth Annual General Meeting** of the Company to be held on **Monday the 10'th day of August, 2015 at 10.30A.M. at Poona Club Limited Pune-411001** and at any adjournment thereof in respect of such resolutions as are indicated below :

<b>DESCRIPTION</b>	
<b>Ordinary Business</b>	
1.	Receive consider and adopt the Audited Financial Statements of the Company together with Report of the Board of Directors and Auditors there on
2.	Re-appoint Mr.Shantanu.R.Kothavale as Director of the Company
3.	To ratify appointment of Haribhakti and Company,LLP as Statutory Auditors of the Company and Authorizing the Board to fix their remuneration.
<b>Special Business</b>	
4.	To Appoint Mrs.Ratnaprabha.R.Kothavale as Director of the Company
5.	Borrowing Powers of the Company and Creation of Charge/ providing of security
6.	Authority to Board of Directors for creation of charge mortgage in respect of borrowings

Signature of shareholder

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix Revenue Stamp of Appropriate Value
--

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

**Notes:-**

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- A proxy need not be member of the Company.
- A person can act as member not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such other person shall not act as proxy for any other person of shareholder.
- It is optional to indicate your preference by placing ( V ) mark at appropriate box . If you leave the ' For' , 'Against' or ' Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



**RAJKUMAR FORGE LIMITED**

CIN: L28910PN1990PLC056985

Shivprasad,18, Shivaji Housing Society, Off. Senapati Bapat Road,Pune-411016

**BALLOT FORM**

( In Lieu of E-Voting at AGM)

1	Name of Sole/First member	
2	Name(s) of Joint Member(s) if any	
3	Registered Folio No /DP Id No/Client Id No	
4	Number of shares held	

I/We hereby exercise my/our vote in respect of the resolution(s) to be passed through e-Voting for the business stated in the AGM notice dated 9<sup>th</sup> May, 2015 of the Company to be held on 10<sup>th</sup> day of August, 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing ( / )mark at the appropriate box below

Item No	Description of Resolution (For details, refer notice of Twenty Fifth Annual General Meeting dated 10 <sup>th</sup> August, 2015	I assent to the resolution	I dissent to the resolution	I abstain to the resolution
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015			
2	To re- appoint Mr.Shantanu.R.Kothavale as Director of the Company			
3	To ratify appoint of Haribhakati and Company LLP as Statutory Auditors of the Company			
4	To appoint Mrs. Ratnaprabha.R.Kothavale as Director of the Company			
5	Borrowing Powers of the Company and Creation of Charge/ providing of security			
6	Authority to Board of Directors for creation of charge mortgage in respect of borrowings			

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Signature of the Shareholder

Place:

Date:

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If Undelivered Please Return To :

***RAJKUMAR FORGE LIMITED***

Regd Office : 18, Shivaji Co-op Housing Society,  
Off Senapati Bapat Road, Pune-411016

Phone : (020) 25639050, 25639051, 25639052

Fax No.: (020) 25639049

Web Site : [www.rkforging.com](http://www.rkforging.com)

Email : [secretarial@rkforge.in](mailto:secretarial@rkforge.in)  
[invest@rkforge.in](mailto:invest@rkforge.in)