



RAJKUMAR FORGE LIMITED



26TH 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, 2ND FLOOR
 AKSHAY COMPLEX ,NEAR
 GANESH TEMPLE, DHOLE PATIL
 ROAD,PUNE – 411 001
 PHONE NO : (020) 26163503, 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

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

Members who are holding shares in demat form and 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 26th Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Tuesday 20th day of September, 2016 at 11.30 A.M. (IST) at Poona Club Limited, 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 31st March, 2016 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 appointment a Director in place of Mrs. Ratnaprabha.R.Kothavale (DIN No :- 03630611) who retires by rotation and being eligible, seek re-appointment.
4. To consider and, if thought fit, to pass with our 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 that of the Board of Directors of the Company 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 second 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.”

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

**Place: Pune
Date: 13th May, 2016**

**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 is 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 re-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 of 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 advise 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 Monday, 12th September, 2016 to Tuesday, 20th day of September 2016 (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 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 Companies Transfer Agent, 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 Stock Exchange.
- 20) Brief resume of each of the above 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 SEBI (Listing Obligation And Disclosure Requirement) Regulations,2015 are provided in the Corporate Governance Report forming part of Annual Report.
- Mr. Shantanu. R. Kothavale and Mrs. Ratnaprabha .R. Kothavale are interested in the resolution set out respectively at item no 2 and item no 3.
- The relatives of Mr. Shantanu R Kothavale and Mrs. Ratnaprabha.R.Kothavale are interested in the resolution set out respectively at item no 2 and item no 3 to the extent of shareholding interest ,if any, in the company.
- Save except as above ,non 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 3 of the Notice for approval by shareholders.
- 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 on 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: 13th May, 2016**

**R.S.KOTHAVALA
MANAGING DIRECTOR**

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 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.
- 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 linked in the login should be mailed to 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

Manufacturing Industry is vital for development of Indian economy. The year 2015-2016 has shown economic growth at 7.6%. 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 31st March, 2016 is lower on account of global recession and falling prices of crude oil in the international market. Following is the summary of performance.

Year	2015-2016 (₹ in Lacs)	2014-2015 (₹ in Lacs)
Sales	1322.24	2811.33
Cost of operation	1101.74	2433.75
Interest & Depreciation	220.50	121.60
Profit /(Loss) before Tax	(154.31)	255.98
Provision for Taxation	(42.28)	149.91
Net Profit/(Loss) after Tax	(112.03)	106.07

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

Year	Export Value (₹)	Total Sales Value (₹)	% Export	% Export Growth/ (decline)
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)
2015-2016	90,091,203	132,224,594	68.13	(11.46)

GENERAL :

The Registered Office of the Company is situated at 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 68% of the total business. The Company is expecting increase in turnover in the next financial year.

However, uncertain market conditions, low prices of crude oil in international market and competition Chinese manufacturers at low prices are causes of concern. Impact of the Foreign Exchange Rate fluctuation is enormous on the working of the Company 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 is uncertain. The 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 and crude oil prices .

HUMAN RESOURCES:

The Company has a strength of 80 employees as on 31st March,2016. 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 31st March, 2016 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 31st March, 2016 , 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.

RAJKUMAR .S.KOTHAVALA
Managing Director

Date : 13th May, 2016

Place : Pune

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE 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 2015-2016.

2. BOARD LEVEL ISSUES

(a) Composition of the Board

The Board consists of Six Directors as on 31st March 2016, comprising of Chairman who is a non-executive Director, Managing Director who is an executive director. The other four (4) Directors are non-executive, and out of which three (3) of them are independent. Mrs.Ratnaprabha .R.Kothavale is appointed as women Director of the Company effective from 10th August, 2015.

(b) Shareholding of the Directors

The share holding of directors of the Company as on 31st March, 2016 is as under

Sr No	Name of Director	Designation	No of shares	% to paid up share capital
1	S.Padmanabhan	Chairman	NIL	NIL
2	R.S.Kothavale	Managing Director	45,81,500	41.881
3	Swastik Sirsikar	Independent Director	5100	0.047
4	Pradeep Bhargava	Independent Director	NIL	NIL
5	Ratnaprabha Kothavale	Director	20,500	0.188
6	Shantanu.R.Kothavale	Director	10,04,100	9.178

(c) Board meetings held during the year

During the year the Board Meetings were held on :-

Sr.No	Date of Board Meeting
1	9th May,2015
2	10th August,2015
3	7th November,2015
4	11th February,2016

(d) Directors attendance record

Below table gives the composition of the Board, the category of Directors and their attendance record in Board Meetings

Name of Director	Category	No. of Board Meetings held	No of Board Meeting attended
R.S.Kothavale Managing Director	Promoter Executive	4	4
S.Padmanabhan Chairman	Non-Executive Independent	4	4
S.R.Kothavale	Non-Executive	4	3
Pradeep Bhargava	Non-Executive Independent	4	4
Swastik Sirsikar	Non-Executive, Independent	4	4
Ratnaprabha Kothavale	Promoter Non-executive	4	4

Attendance record of the Directors at the 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	1
Swastik Sirsikar	1	1
Ratnaprabha Kothavale	1	1

(e) Outside Directorship

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
R.S.Kothavale Managing Director	1	1
S.Padmanabhan Chairman	6	1
Pradeep Bhargava	6	3
S.R.Kothavale	-	-
Swastik Sirsikar	2	1
Ratnaprabha Kothavale	-	1

(f) Relationship between Directors

Name of Director	Director to whom related	Nature of relationship
R.S.Kothavale Managing Director	Shantanu. R. Kothavale Ratnaprabha. R. Kothavale	Father Husband

S.Padmanabhan Chairman	Not related to any Director of the Company	N.A
Pradeep Bhargava	Not related to any Director of the Company	N.A
S.R.Kothavale	R. S. Kothavale Ratnaprabha. R. Kothavale	Son
Swastik Sirsikar	Not related to any Director of the Company	N.A
Ratnaprabha Kothavale	Shantanu. R. Kothavale R. S. Kothavale	Son Husband

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

In accordance with listing agreement Membership / Chairmanship of only the Audit Committee and Stake Holders Committee in all Public Limited Companies (excluding Rajkumar Forge Limited) have been considered.

(g) 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 SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. 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.

(h) Evaluation of Board of Directors:

In compliance with the Companies Act,2013, and that of the Listing Agreement , the performance evaluation of the Board was carried out during the year under review.

(i) Independent Directors :

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
8. 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 28th March,2016 to review performance of the performance of 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 follow, organization structure, strength of the Company. The Company is arranging visit of Independent Directors to manufacturing facilities of the Company and getting them acquainted with manufacturing process. More details of the same are available on the website of the company at www.rkforging.com

3. COMMITTEES OF BOARD

A) AUDIT COMMITTEE

Composition of Audit Committee

Sr. No	Name of the Director	Nature of Directorship	Position
1	Mr. Rajkumar S.Kothavale	Promoter Executive	Member
2	Mr. Pradeep Bhargava	Non Executive Independent	Chairman
3	Mr. Swastik Sirsikar	Non Executive Independent	Member

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.

The role and terms of reference of the Audit Committee are as follows:

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the listed entity with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO, after assessing the qualifications, experience and background, etc. of the candidate;
- During the year the Audit Committee Meetings were held on :-

Sr. No	Date of Board Meeting
1	9th May,2015
2	10th August,2015
3	7th November,2015
4	11th February,2016

The Number of Audit Committee Meetings and attendance of the member 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

B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the members as stated below .There was no occasion to conduct Nomination and Remuneration Committee during the year ended 31st March, 2016. The members of Nomination and Remuneration Committee are:-

Sr. No	Name of the Director	Nature of Directorship	Position
1	Mr. Pradeep Bhargava	Independent Director	Member
2	Mr.Swastik Sirsikar	Independent Director	Chairman
3	Mr. Shantanu. R. Kothavale	Non-Executive Director	Member

Terms of reference of the Nomination and Remuneration Committee are as follows

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.
6. Devising a policy on diversity of Board of Directors.

REMUNERATION POLICY

a) 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 overall 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 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 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 pro rata 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

b) 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

c) Remuneration of Senior Management Employees

In determining the remuneration of the Senior Management employees, the Nomination and Remuneration Committee shall consider following.

- i. The relationship of remuneration and performance benchmark is clear
- ii. Balance between fixed and incentive pay reflecting long term and short term performance objectives of the Company and its goals.
- iii. The remuneration is divided in to two components fixed component and performance based incentive
- iv. 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.
- v. 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.

d) Remuneration during the year 2015-16

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Sitting fees (Rs.)	Total (Rs.)
R.S.Kothavale Managing Director	14,77,400	2,52,513	N.A	17,29,913
S.R.Kothavale	N.A	N.A	30,000	30,000
Pradeep Bhargava	N.A	N.A	80,000	80,000
Swastik Sirsikar	N.A	N.A	80,000	80,000
S.Padmanabhan	N.A	N.A	40,000	40,000
Mrs.Ratnaprabha Kothavale	N.A	N.A	40,000	40,000
Total	14,77,400	2,52,513	2,70,000	19,99,913

Notes : Salary = Basic salary and perquisites

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

The Directors of the Company are paid sitting fees only for the meetings of the company attended by them. There is no performance linked incentive/s or performance criteria laid down by the Board.

None of the directors of the Company have received bonus, pension, stock options and severance fees from the Company. Also, the Company has not entered into the service contracts and there is no provision of notice period in the Company for Directors

Specific criteria for performance evaluation of Independent Directors are as under

The performance evaluation of independent directors has been done by the entire Board of Directors, with consideration of participation and contribution by director with respect to the following:

- Commitment, including guidance provided to the Senior Management outside Board/ Committee Meetings
- Effective deployment of knowledge and expertise
- Effective management of relationship with various stakeholders
- Independence of behavior and management
- Maintenance of confidentiality of critical issues

The Committee/ Board shall be authorized to modify the criteria as it may deem fit and necessary

C) STAKE HOLDERS COMMITTEE (INVESTOR/ SHAREHOLDERS GRIEVANCE 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 acts as Chairman of the Committee. The status of complaints is reported to the Board of Directors at every Board Meeting. Mr.Vijay.V. Kulkarni, Company Secretary, Member of the Institute of Company Secretaries of India, is the Compliance Officer.

The Compliance Officer can be contacted at :

Rajkumar Forge Limited

18, Shivaji Co-operative Housing Society, Off Senapati Bapat Road,Pune-411016 Tel :-020 – 25639050 / 51/ 52 Fax :020- 25639049 EMAIL: secretarial@rkforge.in, invest@rkforge.in

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2016 were Nil.

There were no complaints pending as on 31st March, 2016.

4. GENERAL BODY MEETINGS :

Date	Location	Time
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
10th August, 2015	Poona Club,6 Bund Garden Road, Pune-1	10.30 A.M

Two Special Resolutions pertaining to Borrowing Power of the Company was passed at Twenty Fifth Annual General Meeting of the Company. No extraordinary general meeting was held during the year under review

5. PARTICULARS OF APPOINTMENT AND REAPPOINTMENT OF DIRECTORS :

- a. In accordance with provisions of Section 152(6)
 - (i) Mr.Shantanu.R.Kothavale will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment as director of the Company by rotation.
 - (ii) Mrs.Ratnaprabha Kothavale will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-appointment as director of the Company by rotation.
- b. 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 24th Annual General Meeting held on Monday,11th day of August,2014 approved their appointment for a period of five years.

The Independent Directors have submitted declaration of Independence as required, pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in sub-section (6) of Section 149.

6. 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 31.03.2015 on 10.05.2015.
- b. Unaudited Financial Results for first quarter ended on 30.06.2015 on 11.08.2015.
- c. Unaudited Financial Results for second quarter ended on 30.09.2015 on 08.11.2015.
- d. Unaudited Financial Results for third quarter ended on 31.12.2015 on 12.02.2016.

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 where by all the necessary information relating to the Company and its performance is maintained by the Company.

7. GENERAL SHAREHOLDER INFORMATION :

- (a) Annual General Meeting:
 - a. Date and Time: 20th September, 2016 at 11.30 A.M.

- b. Venue: Poona Club, 6, Bund Garden Road, Pune-411001
- (b) Financial Year : 1st April, 2015 to 31st March,2016
- (c) Date of Book Closure :12th September,2016 to 20th September, 2016(both days inclusive)
- (d) Dividend Payment date: The Board of Directors has not recommended dividend in view of in adequate profits.
- (e) Listing on Stock Exchanges: The Company’s shares are listed on The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 & Stock Code is 513369 .The Company has paid the annual listing fees to the Bombay Stock exchange for the financial year 2015-2016.
- (f) Market Price Data : High / Low of market price of the Company’s shares traded on The Bombay Stock Exchange Ltd, Mumbai during the period rom April,2015 to March,2016 is furnished below :

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, 2nd Floor ,Akshay Complex, Dhole Patil Road ,Pune –411001 Telephone No: 020- 26160084, 26161629, 26051629 Tele-fax : 020 – 26053503 E-mail ID : pune@intimespectrum.com

(h) 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 .

(i) Distribution of shareholding as on March 31, 2016 :

Month	High (Rs.)	Low (Rs.)	Volumes	Month	High (Rs.)	Low (Rs.)	Volumes
April,2015	19.65	15.40	16,469	October,2015	21.05	16.00	79,086
May,2015	18.70	15.50	15,457	November,2015	25.90	20.05	41,433
June,2015	18.75	15.30	14,128	December,2015	25.90	22.50	36,240
July,2015	21.20	15.75	34,021	January,2016	25.75	20.05	16,255
August, 2015	22.25	16.20	30,396	February,2016	20.00	16.65	10,750
September, 2015	18.50	15.20	7,600	March,2016	25.45	18.75	11,427

Source : Official website of The Bombay Stock Exchange (www.bseindia.com)

The performance of the Company’s shares relative to the NSE Sensex, is given in the chart below:-

Share performance versus BSE Sensex



- (g) 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 dematerialization and rematerialisation of company’s equity shares and investor relation has been assigned to M/s Link Intime India Private Limited :

Holding of shares	Number of shareholders	Shareholders % to Total	Shares	% of Total
Up to 500	11199	94.6741	1493220	13.6499
501 to 1000	325	2.7475	278866	2.5492
1001 to 2,000	120	1.0145	181788	1.6618
2001 to 3000	49	0.4142	123315	1.1273
3001 to 4000	28	0.2367	104534	0.9566
4001 to 5000	31	0.2621	148437	1.3569
5001 to 10,000	27	0.2283	218108	1.9938
10,001 and above	50	0.4227	8391132	76.7056
Total	11,829	100.0000	10939400	100.0000

Shareholding Pattern (as on 31st March, 2016)

Serial No	Category	No of shares	% of shareholding
A	Promoters holding		
1	Promoters		
	Indian Promoters	7323149	66.94
	Foreign Promoters		
	Sub Total	7323149	66.94
B	Non-Promoter’s Shareholding		
1	Institutional Investors		

(i)	Mutual Funds and UTI	Nil	Nil
(ii)	Banks, Financial Institutions , Insurance Companies	100	.01
(iii)	FIIS	Nil	Nil
	Sub Total	100	.01
2	Others		
(i)	Private Corporate Bodies	579583	5.29
(ii)	Indian Public	3029313	27.70
(iii)	NRIS / OCBS	2585	0.02
(iv)	Any Others	4670	0.04
	Sub Total	3616251	33.06
	Grand Total	10939400	100

(j) Dematerialization of Shares: The equity share of the Company have been admitted for dematerialization on NSDL and CDSL effective from 10th March, 2008 and 23rd January, 2008 respectively and ISIN NO. - INE 013J01016 has been allotted to the Company. As on 31st March, 2016 18, 66,100 equity shares viz 17.05 % of the paid -up equity share capital has been dematerialized.

(k) There are no GDRs/ADRS/Warrants or Any Convertible Instruments issued by the Company.

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

(m) Address for correspondence: Shareholder's Correspondence can be addressed to 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, 2nd floor, Akshay Complex, Dhole Patil Road, Pune -411001 Telephone No:(020)26163503, 26051629 E-mail ID : pune@intimespectrum.com

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 , invest@rkforge.in

8. Compliance with Corporate Governance requirements

(a) Mandatory and adoption of non mandatory disclosure requirements

Your Company conforms to the mandatory disclosure norms of Corporate Governance as envisaged in the Companies Act, 2013 and in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Company has adopted with the following non-mandatory requirements as prescribed in Regulation 27

Schedule II Part E of the Listing Regulations, 2015: -

- (i) The Company is in the regime of unmodified financial statements.
- (ii) The internal auditor of the Company reports directly to the Audit Committee.

(b) Compliance with other Corporate Governance provisions

The Company has complied with all Corporate Governance provisions under SEBI Listing Regulations, except as follows:

- The Company does not have a CEO/CFO and hence the compliance certificate as required under Part B of Schedule II of SEBI Listing Regulations is signed by the Managing Director. Company is making efforts to appoint a suitable person as CFO for the Company.
- The Company has not been able to disseminate all the information on its website as required under Regulation 46 (2) (b) to (i) of the Regulation. The Company's website became non-operational during the year due to technical reasons. Efforts are being taken to resolve the issue.

The above matters have also been referred to in the Auditor's Certificate on compliance of corporate governance.

9. 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 entered into 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 are obtained for the transactions which are foreseen and are repetitive in nature. A statement of all related party transactions is presented to 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. More details are available on website of the company www.rkforging.com

10. 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 is within the scope fo internal auditors. Internal Audit continuously monitors the efficiency 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 organizations risk management ,control and governance process.

11. 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 on the website of the Company at www.rkforging.com. No person has been denied access to the Audit Committee.

12. 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 SEBI (Listing Obligation And Disclosure Requirement Regulations, 2015 all the Board Members have affirmed compliance of code of conduct of the Company and the same is tabled before the board of directors. The Managing Director has also confirmed and certified the same to the Board of Directors.

13. Other Matters:-

- a. 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.
- b. The Company has reminded shareholders for submitting their claims for dividend through annual communication in the Annual Reports.
- c. 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.

- d. 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.

14. Compliance certificate of the Auditors

Certificate from the Auditors of the Company, M/s Haribhakti & Co LLP, confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

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 appreciate contributions made by employees of the Company at all levels.

For and on behalf of the Board of Directors

RAJKUMAR .S.KOTHAVALA
Managing Director

Date : 13th May, 2016

Place : Pune

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE****To The Members of
Rajkumar Forge Limited**

We have examined the compliance of conditions of Corporate Governance by Rajkumar Forge Limited ('the Company'), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreement of the Company with stock exchange) for the period April 1, 2015 to November 30, 2015;
- Clause 49 (VII) (E) of the Listing Agreement of the Company with stock exchange for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified above, during the year ended March 31, 2016, except for the following:

1. The Company has not obtained the compliance certificate from CEO / CFO as required under Part B of Schedule II of SEBI Listing Regulations, since it does not have a CEO/ CFO. However, the company has obtained such certificate from its Managing Director.
2. The Company has not disseminated the information on its website as required under Regulation 46 (2) (b) to (i) of the Regulation.

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

Place: Pune
Date: May 13, 2016

Anup Mundhra
Partner
Membership No.: 061083

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report with Audited Accounts of the Company for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

	31.03.2016 (₹ Lacs)	31.03.2015 (₹ Lacs)
Profit/(Loss) for the year before interest,	(66.19)	377.57
Financial Charges & Depreciation Less:		
Interest, Financial Charges for the year	99.49	17.10
Depreciation	121.00	104.49
Profit/ (Loss) for the year	(154.30)	255.98
Add/ (Less) Provision for Income Tax	Nil	(55.18)
Add/(Less) Mat Credit Adjustment for earlier year	(32.09)	Nil
Add / (Less) Deferred Tax	(10.18)	(94.72)
Net Profit/(Loss) for the period	(112.03)	106.06

DIVIDEND:

Your Directors do not recommend a dividend for the financial year ended 31st March,2016.

OPERATIONS:

During the year under consideration, customer order position was not satisfactory. Sales income is at ₹ 1322.24 Lacs compared to previous years ₹ 2811.33 Lacs . Exports decreased from ₹ 2237.53 Lacs (previous year) to Rs 900.91 Lacs. . The Company has incurred net loss of ₹112.03 Lacs during the financial year 2015-2016.

CAPACITY EXPANSION AND MODERNISATION

The Company had 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, 2016, 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, 2016 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 had 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 retires by rotation was appointed as director and women director 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 24th Annual General Meeting of the Company held on 11th August,2014, appointed Haribhakati and Company LLP for the period of five years.

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 Annexue A to this report.

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:13th May, 2016 **DIRECTOR MANAGING DIRECTOR**

ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE-A

Information required under Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors Rules, 1988

A. Conservation of Energy

a. Energy conservation measures

The Company has installed 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

		2015-2016	2014-2015
1.	Electricity Purchase		
	Units (inKWH)	633267	858300
	Total Cost (₹)	6522592	8389820
	Rate/Unit (₹)	10.30	9.77
2.	Fuel		
	Oil Quantity (K.L)	120.00	600.22
	Total Cost (₹)	6136163	34234803
	Rate/K(Ltrs)	51135	57037
3	Maharashtra Natural Gas		
	Gas Quantity	17287	12,777
	Total Cost (₹)	17275052	3330197
	Rate	999.33	1043.00

CONSUMPTION PER UNIT OF PRODUCTION

Steel Forging Production (MT)	594.346	1166.510
Electricity (Unit- KWH)	1065.49	735.78

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

	2015-2016	2014-2015
Foreign Exchange inflow		
FOB value of Exports (₹ Lacs)	900.91	2237.53
Others	NIL	NIL
Foreign Exchange outflow (₹ Lacs)	4.11	6.67

ANNEXURE TO THE DIRECTORS REPORT-II

ANNEXURE-B

Form No MGT-9

Extract of Annual Return

As on Financial Year Ended 31st March,2016

[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 nd 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 nd Floor, Akshay Complex, Near Ganesh Temple, Dhole Patil Road, Pune-411001 Phone:- (020) 26161629,26160084 Fax :- (020) 26163503 E-Mail: pune@linkintime.co.in Web : www.linkintime.com

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	30	7323149	66.94
Financial Institutions	1	100	0.01
Bodies Corporate	45	579583	5.30
Indian Public	11,742	3029313	27.69
N.R.I	7	2585	00.02
Clearing Member	4	4670	00.04
Total	11829	1,09,39,400	100.00

ii) Shareholding of Promoters

1.	Kothavale Rajkumar Shankarrao	45,81,500	41.881
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	3,80,000	3.473
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	0.010
17. Asha Prabhakar Kore	20,000	0.182
18. Kore Prabhakar Basavprabhu	1,60,100	1.463
19. Asha Prabhakar Kore	1,20,000	1.096
20. Preeti P Kore	2,12,500	1.942
21. Deepti P Kore	2,10,000	1.919
22. Deepti Avinash Aradhye	25,000	0.022
23. Kore Prabhakar Basappaa	10,000	0.091
24. Anil Kothavale	51,500	0.470
25. Avinash Kothavale	51,500	0.470
26. Kothavale Manu Ravindra	50,000	0.457
27. Preeti Kiran Dodwad	25,000	0.228
28. Prabhakar Shankarrao Kothavale	20,000	0.182
29. R.S.Kothavale	89,749	0.820
30. R.S.Kothavale	51,000	0.466
Total	73,23,149	66.94

iii) Change in Promoters Shareholding : is (3,53,500) viz 3.23

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

1. SPS Finquest Limited	5,30,000	4.8449
2. Mahendra Girdharilal	50,192	0.4588
3. Pai Dayananda	50,000	0.4571
4. Shadakshari S	50,000	0.4571
5. Pradeep Datar	32,000	0.2925
6. Vimal Hasmukh Salva	30,704	0.2806
7. Bindu Ajit Vora	23,639	0.2160
8. Rajesh Ramanlal Shah	22,000	0.2011
9. Gurling Masali	21,600	0.1975
10. Virgi Shtiksnt Verrappa	20,000	0.1828
Total	8,30,135	7.5884

vi) Shareholding of Directors and Key Managerial Personnel

		% to paid up capital
1. S.Padmanabhan	Nil	Nil
2. R.S.Kothavale	47,22,449	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 st April 2016				
1. Principal Amount	10,05,92,776	NIL	NIL	10,05,92,776
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)	10,05,92,776			10,05,92,776
Change in Indebtedness during the financial year				
+ Addition	NIL	NIL	NIL	NIL
-Reduction	34,611,429	NIL	NIL	34,611,429
Net Change	34,611,429	NIL	NIL	34,611,429

Particulars	Secured Loans excluding Deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 31 st March, 2016				
1. Principal Amount	65,981,347	NIL	NIL	65,981,347
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)	65,981,347	NIL	NIL	65,981,347

6. 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	17,29,913

REMUNERATION OF OTHER DIRECTORS

1. Independent Directors

Particulars of payments	Name of Director	Total Amount (₹)
Sitting Fees	S.Padmanabhan	40,000
Sitting Fees	Pradeep Bhargava	80,000
Sitting Fees	Swastik Sirsikar	80,000

2. Other Non-Executive Directors

Particulars of payments	Name of Director	Total Amount (₹)
Sitting Fees	Shantanu.R.Kothavale	30,000
Sitting Fees	Ratnaprabha R Kothavale	40,000

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	5,30,400/- per annum

FORM NO. MR-3
Secretarial Audit Report
for the financial year ended March 31, 2016

(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, 2016 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, 2016 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, 2015;
 - (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);
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (applicable from 1st December 2015).

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 (applicable from 1st July 2015).
- (ii) The Listing Agreement entered into by the Company with BSE Limited (applicable till 30th November 2015).

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. Pursuant to section 179(3)(g) of the Act, the company has not filed form with the Registrar of Companies, in respect of approval of financial statement and Board's Report for the financial year ended 31st March 2015.
2. Pursuant to section 203(1)(iii) of the Act, the Company has not appointed Chief Financial Officer (CFO).

3. The trading in company's shares by some of the promoters carried without formulating and disclosing trading plan as well as without approval of the Compliance Officer. The said trading is carried 3 days before the close of 3rd quarter of financial year 2015-16.
4. The company needs to file 'Foreign Liability and Assets' (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 in the Annual General Meeting held on 10th August 2015.**

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

August 10, 2016

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

August 10, 2016

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, 2016, 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 Standalone® Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 there under.

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. 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 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, 2016 its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 28 to the financial statements which describe the uncertainty related to the outcome of "Minimum Guaranteed Offtake" claim of Rs 197.98 lacs filed on the Company by Maharashtra Natural Gas Limited.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 on Contingent Liabilities of the financial statements;
 - (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

Anup Mundhra
Partner

Date : May 13, 2016
Place : Pune

Membership No.061083

ANNEXURE 1 TO THE 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 financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for quantitative details of furniture and fixtures, which is under updation.
- (b) During the year, the fixed assets of the Company have been physically verified by the management, except for furniture and fixtures whose quantitative details in fixed assets register is under updation 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.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii) (b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (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) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (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, employees’ state insurance, 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, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and government. The Company do not have any outstanding dues to financial institution and debenture holder.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Anup Mundhra
Partner
Membership No.061083

Place: Pune
Date: May 13, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 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 financial statements for the year ended March 31, 2016]

Para 1 - Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rajkumar Forge Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Para 2 - Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Para 3 - Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Para 4 - Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Para 5 - Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Para 6- Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place: Pune
Date: May 13, 2016

Anup Mundhra
Partner
Membership No. 061083

Balance Sheet as at March 31, 2016

Particulars	Note No	As at 31/03/2016 (₹)	As at 31/03/2015 (₹)
Equity and liabilities			
Shareholder's Funds			
Share capital	3	109,394,000	109,394,000
Reserves and surplus	4	124,908,766	136,112,202
		234,302,766	245,506,202
Non-Current Liabilities			
Long-term borrowings	5	-	207,670
Deferred tax liabilities (Net)	6	4,523,553	5,541,871
Other long term liabilities	7	20,000	20,000
Long term provisions	8	6,340,364	6,287,403
		10,883,917	12,056,944
Current Liabilities			
Short-term borrowings	9	65,981,347	100,592,776
Trade payables	10	8,240,710	32,164,685
Other current liabilities	11	13,181,042	7,816,947
Short-term provisions	12	3,468,074	1,666,775
		90,871,173	142,241,183
Total		336,057,856	399,804,329
Assets			
Non-current assets			
<i>Fixed assets</i>			
Tangible assets	13	143,033,003	145,578,633
Intangible assets		417,585	457,722
Capital work-in-progress		53,736,964	49,131,046
Long term loans and advances	14	4,074,842	3,846,595
Other non-current assets	15	12,500,000	12,500,000
		213,762,394	211,513,996
Current assets			
Inventories	16	45,734,623	47,583,997
Trade receivables	17	29,721,133	46,910,105
Cash and bank balance	18	5,121,561	30,228,799
Short-term loans and advances	19	9,861,503	20,630,079
Other current assets	20	31,856,642	42,937,353
		122,295,462	188,290,333
Total		336,057,856	399,804,329

Summary of significant accounting policies

2.1

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 103523W

ANUP MUNDHRA

PARTNER

Membership No. 061083

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: 13th May, 2016

Statement of Profit and Loss for the Year Ended March 31, 2016

Particulars	Note No	Year Ended 31/03/2016 (₹)	Year Ended 31/03/2015 (₹)
Revenue from operations	21	123,364,903	266,625,947
Other income	22	8,859,691	14,978,104
Total Revenue		132,224,594	281,604,051
<i>Expenses:</i>			
Cost of materials consumed	23	29,138,417	72,977,007
Changes in inventories of finished goods and work-in-progress	24	2,261,129	36,198,676
Employee benefit expense	25	28,199,789	31,387,618
Finance cost	26	9,949,080	1,803,915
Depreciation and amortization expense	13	12,100,702	10,449,234
Other expenses	27	66,006,498	111,037,764
Total Expenses		147,655,616	263,854,214
Profit/(Loss) before exceptional items and tax		(15,431,022)	17,749,836
Exceptional Items (Refer note 42)		-	7,848,382
Profit/(loss) before tax		(15,431,022)	25,598,218
<i>Tax expense:</i>			
Current tax		-	5,518,457
MAT credit adjustment for earlier year		(3,209,268)	-
Deferred tax		(1,018,318)	9,472,950
		(4,227,586)	14,991,407
Profit/(loss) for the period		(11,203,436)	10,606,811
Earning per equity share (Nominal value : ₹ 10/-)			
Basic & diluted		(1.02)	0.97

Summary of significant accounting policies

2.1

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 103523W

ANUP MUNDHRA

PARTNER

Membership No. 061083

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: 13th May, 2016

Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016 (₹)	For the year ended 31 March, 2015 (₹)
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	(15,431,022)	17,749,836
<i>Adjustments for:</i>		
Depreciation and amortisation	12,100,702	10,449,234
Loss on sale of assets	40,783	-
Finance cost	7,761,404	(1,722,003)
Interest income	(2,144,040)	(1,587,354)
Net unrealised exchange (gain) / loss	3,651,663	22,075,698
Operating profit before working capital changes	5,979,491	46,965,411
<i>Changes in working capital:</i>		
Inventories	1,849,374	43,676,724
Trade receivables	16,981,613	(19,792,551)
Short-term loans and advances	13,628,916	26,865,568
Long-term loans and advances	-	13,449,723
Other current assets	11,080,711	-
Trade payables	(23,923,975)	2,762,706
Other current liabilities	4,135,145	(12,704,778)
Short-term provisions	198,557	125,218
Long-term provisions	52,961	1,352,748
	21,142,963	55,735,358
B. Cash generated from operations	29,982,793	102,700,769
Net income tax (paid) / refunds	1,951,670	(5,518,457)
Net cash flow from / (used in) operating activities (A)	31,934,463	97,182,312
C. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(13,394,378)	(43,940,916)
Proceeds from sale of fixed assets	240,000	7,848,382
Interest received	2,144,040	1,587,354
Net cash flow from / (used in) investing activities (B)	(11,010,338)	(34,505,180)
D. Cash flow from financing activities		
Repayment of long-term borrowings	(207,670)	(761,885)
Proceeds / (repayment) in working capital borrowings	(38,055,734)	(62,318,570)
Dividend paid	(6,555)	(28,760)
Interest paid	(7,761,404)	1,722,003
Net cash flow from / (used in) financing activities (C)	(46,031,363)	(61,387,212)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(25,107,238)	1,289,920
Cash and cash equivalents at the beginning of the year	30,228,799	28,938,879
Cash and cash equivalents at the end of the year	5,121,561	30,228,799
Components of cash and cash equivalents		
Cash on hand	48,822	146,583
Balances with bank		
On Current accounts	1,884	25,004,806
On unpaid dividend accounts*	5,070,855	5,077,410
	5,121,561	30,228,799

* The company can utilize these balances only toward settlement of the respective unpaid dividend liability

Summary of significant accounting policies

2.1

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 103523W

For and on behalf of the Board of Directors

ANUP MUNDHRA

PARTNER

Membership No. 061083

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: 13th May, 2016

Notes to Accounts forming part of the Financial Statements for the Year Ended ended on 31st March 2016

1. Corporate Information

Rajkumar Forge Limited (“the Company”) was incorporated under the provisions of the Companies Act, 1956 and engaged in manufacture and export of Medium and Heavy Open Die Forgings from India. The Major Production which the Company deal in are mill roller shafts, gear shafts, tail bars, gear rings, blanks, table rolls, pinions, spindles, rolls for slab & continuous caster, blooming mill & hot rolling mill rolls, elongator rolls, wobblers and gearing components etc. The registered office of the Company is situated in the state of Maharashtra, India.

2. Basis of preparation

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.

2.1 Summary of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India 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.

b) Inventories

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

Items	Basis of determination of cost
Raw materials, components, stores and spares	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	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. Cost of finished goods includes excise duty.
Goods in transit 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.	

c) Depreciation

- Depreciation on cost of fixed assets is provided on straight line method at estimated useful live, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for second hand machines which are provided based on technical estimate by the management.
- 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.

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

e) 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.
- Service income
Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax
- Interest income
Interest income is recognized on time proportion basis.

f) 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 borrowing cost if applicable.

g) Intangible assets and amortisation

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. The costs relating to acquisition of software with perpetual license are capitalised as ‘Intangible Assets’ and amortised on a straight line basis over a period of three years, which is the management’s estimate of the useful life of such assets.

h) 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.

i) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them and (ii) the grant/subsidy will be received

j) Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. These benefits include salary, wages, bonus, ex-grantia, short term compensated absences. 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.

Post employment employee benefits

Defined Contribution schemes

Company's contribution to Provident Fund and Superannuation Fund are charged to the Statement of Profit and Loss of the year when the contribution to respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

Defined benefits plans

The company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefit under these plans are determined on the basis of actuarial valuation at each year-end, using the projected unit credit method. The discount rate 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 in full in the period in which they occur in the Statement of Profit and Loss.

Other long term employee benefits

Company's liabilities towards long term 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.

k) 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.

l) Leases

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.

m) 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.

n) 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.

o) 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.

p) 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.

q) Segment reporting

The Company has identified open die Forging as its sole primary operating segment. The Company secondary geographical segments have been identified based on the location of customers and are demarcated into Indian and Market.

Notes to Accounts forming part of the Financial Statements for the Year ended on 31st March 2016

3. Share Capital

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
a) Details of authorised, issued, subscribed and paid up capital		
Authorised share capital		
1,25,00,000 (March 31,2015 : 1,25,00,000) equity shares of ₹ 10/- each	125,000,000	125,000,000
7,50,000 (March 31, 2015: 7,50,000) 4% redeemable non cumulative preference shares of ₹10/- each	7,500,000	7,500,000
Issued, subscribed and paid up shares		
1,09,39,400 (March 31, 2015:1,09,39,400) equity shares of ₹10/- each, fully paid up	109,394,000	109,394,000
b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period		
Shares outstanding at the beginning of the year	10,939,400	10,939,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
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 % shares in the company

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No of equity shares held	Percentage	No of equity shares held	Percentage
Rajkumar S. Kothavale *	4,722,449	43.17%	4,722,449	43.17%

* Out of the above, 46,71,249 shares are jointly held with Ratnaprabha Rajkumar Kothavale and Sonal Rajkumar Kothavale.

4. Reserves and surplus

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Capital redemption reserve	5,000,000	5,000,000
Capital reserves	3,000,000	3,000,000
General reserves	16,099,846	16,099,846
Surplus in the Statement of profit and loss		
Opening balance	112,012,356	102,361,938
Profit / (loss) for the year	(11,203,436)	10,606,811
Depreciation adjustment under Sch II of the Act	-	(956,393)
	100,808,920	112,012,356
Total	124,908,766	136,112,202

5. Long term borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Deferred payment liabilities (Sales tax deferral)	-	207,670
	-	207,670

6. Deferred tax liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Deferred tax liabilities		
Fixed Assets: Impact of difference between income tax depreciation and depreciation charged for the financial statements	13,131,192	8,359,712
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis.	3,160,920	2,817,841
Carry forward losses/ unabsorbed depreciation	5,446,719	-
	8,607,639	2,817,841
Net deferred tax liability	4,523,553	5,541,871

7. Other long term liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Others	20,000	20,000
Deposits from Customer		
	20,000	20,000

8. Long term provisions

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Provision for employee benefit		
Gratuity	4,980,704	4,810,273
Leave encashment	1,359,660	1,477,130
	6,340,364	6,287,403

9. Short term borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Secured		
Cash credit from banks (Refer note below)	28,666,832	43,438,844
Post shipment demand loan (Refer note below)	-	21,236,134
Buyers credit from bank (Refer note below)	37,314,515	35,917,798
	65,981,347	100,592,776

Short term borrowings for working capital requirements availed by the Company in the nature of cash credit facility, post shipment demand loan and buyer's credit are 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, and personal guarantee by the Managing Director of the Company Mr. R. S. Kothavale.

The cash credit is repayable on demand & carries interest rate ranging from 12.9% to 13.25%

PSDL is repayable on due date and carries interest @ 11.15%

The buyers credit is repayable on due date and carries interest rate ranging from @ 1.421% p.a. to 3.341% p.a.

10. Trade payables

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Trade payables (Refer note 30)	-	-
Due to medium and small enterprises	-	-
Due to other	8,240,710	32,164,685
	8,240,710	32,164,685

11. Other current liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Unpaid dividends	5,070,855	5,077,410
Advances from customers	4,651,966	1,805,186
Creditors for capital goods.	1,235,505	-
Employee benefits payable	2,222,716	934,351
	13,181,042	7,816,947

12. Short term provisions

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Provision for employee benefit	-	-
Gratuity	1,267,119	1,224,871
Leave encashment	598,213	441,904
Provision for income tax (net of advance tax)	1,602,742	-
	3,468,074	1,666,775

13. Fixed Asset and depreciation/ amortisation

	Freehold Land	Buildings	Plant and Machinery	Furniture & Fixtures	Vehicles	Software	Total
Cost							
At April 1, 2014	1,522,596	34,898,852	235,908,189	4,964,075	6,479,973	1,294,572	285,068,257
Additions	-	13,627,165	27,213,387	19,948	-	-	40,860,500
Disposals	151,618	-	-	-	-	-	151,618
At March 31, 2015	1,370,978	48,526,017	263,121,576	4,984,023	6,479,973	1,294,572	325,777,139
Additions	-	-	9,795,718	-	-	-	9,795,718
Disposals	-	-	-	-	1,594,013	-	1,594,013
At March 31, 2016	1,370,978	48,526,017	272,917,294	4,984,023	4,885,960	1,294,572	333,978,844
Depreciation/ Amortisation							
At April 1, 2014	-	11,072,328	152,419,725	1,945,596	2,100,794	796,711	168,335,154
Charge for the year	-	3,233,910	6,584,264	573,347	973,968	40,138	11,405,627
Disposals	-	-	-	-	-	-	-
At March 31, 2015	-	14,306,238	159,003,989	2,518,943	3,074,762	836,849	179,740,781
Charge for the year	-	2,690,732	8,165,353	573,478	631,001	40,138	12,100,702
Disposals	-	-	-	-	1,313,230	-	1,313,230
At March 31, 2016	-	16,996,970	167,169,342	3,092,421	2,392,533	876,987	190,528,253
Net block							
At March 31, 2015	1,370,978	34,219,779	104,117,587	2,465,080	3,405,211	457,723	146,036,358
At March 31, 2016	1,370,978	31,529,047	105,747,952	1,891,602	2,493,427	417,585	143,450,591

14. Long term loans & advances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Capital advances (unsecured considered good, unless otherwise stated)	710,312	482,065
Security deposits	3,364,530	3,364,530
	4,074,842	3,846,595

15. Other non current assets

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
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
	12,500,000	12,500,000

16. Inventories (Valued at cost or net realizable value, whichever is less)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Raw materials	17,653,663	16,345,064
Work in progress	20,771,871	22,126,302
Goods in transit	1,251,008	677,216
Scrap stock	252,885	17,332
Stores, spares and loose tools	5,805,196	6,702,040
	45,734,623	47,583,997

17. Trade receivables

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Others		
Unsecured, considered good	17,180,018	38,863,356
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12,541,115	8,046,749
	29,721,133	46,910,105

18. Cash and bank balance

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Cash and cash equivalents		
(a) Cash on hand	48,822	146,583
(b) Balances with bank		
On current accounts	1,884	25,004,806
On unpaid dividend accounts	5,070,855	5,077,410
	5,121,561	30,228,799
Other bank balances		
Margin money deposit	12,500,000	12,500,000
Less:- Amount disclosed under other non-current assets	12,500,000	12,500,000
	-	-

	5,121,561	30,228,799
19. Short-term loans and advances		
Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
(Unsecured, considered good, unless otherwise stated)		
Advance recoverable in cash and kind	426,945	10,402,048
MAT credit entitlement	4,279,268	749,608
Advance income tax (net of provision)	-	669,320
Prepaid expenses	522,728	819,523
Balances with statutory/government authorities	4,628,751	7,989,580
	9,861,503	20,630,079
20. Other current assets		
Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Export benefit receivable	7,220,266	-
Excise deposits against exports	1,256,028	7,628,007
VAT receivable	23,380,348	35,309,346
	31,856,642	42,937,353
21. Revenue from operations		
Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Sale of products	103,626,412	242,382,960
Less:- Excise duty	1,209,160	3,515,316
	102,417,252	238,867,644
Other operating revenues		
Export benefits	7,225,590	2,322,290
Sale of scrap	2,901,725	9,097,897
Job work	10,820,336	16,338,116
	20,947,651	27,758,303
	123,364,903	266,625,947
22. Other income		
Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Interest income	2,144,040	1,587,354
Foreign exchange gain (net)	2,450,315	12,920,203
Miscellaneous income	2,663,100	-
Sundry balances written back	1,602,236	470,547
	8,859,691	14,978,104
23. Cost of materials consumed		
Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Inventory at the beginning	16,345,064	24,856,911
(+) Purchases	30,447,016	64,465,160
Inventory at the end	17,653,663	16,345,064
Cost of materials consumed	29,138,417	72,977,007

Details of raw material consumption:		
Alloy & Steel Ingots	29,138,417	72,977,007

24. Changes in inventories of work-in-progress & finished goods

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Inventories at the end of the year		
Work in progress	(20,771,871)	(22,126,302)
Finished goods (stock in transit)	(1,251,008)	(677,216)
Scrap stock	(252,885)	(1,733,375)
Inventories at the beginning of the year		
Work in progress	22,126,302	57,763,427
Finished goods (stock in transit)	677,216	-
Scrap stock	1,733,375	2,972,142
Change in inventories of work in progress and finished goods	2,261,129	36,198,676

25. Employee benefit expenses

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Salaries & wages	25,448,178	27,499,863
Contribution to provident and other funds	1,155,094	1,272,025
Gratuity expense	248,737	1,054,638
Staff welfare expenses	1,347,780	1,561,092
	28,199,789	31,387,618

26. Finance costs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Interest expenses on short term borrowings	3,984,172	7,433,492
Other borrowing cost	3,777,232	(9,155,495)
Bank charges	2,187,676	3,525,918
	9,949,080	1,803,915

27. Other expenses

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹	₹
Consumption of stores and spares parts	4,484,419	2,224,767
Power & fuel	30,743,023	55,930,236
Rent	1,483,994	1,799,292
Repairs to plant & machinery	466,709	879,369
Insurance	371,142	310,936
Rates and taxes	431,222	(263,948)
Machining charges	2,678,734	19,453,473
Freight & forwarding charges	1,894,596	7,346,234
Other manufacturing expenses	3,819,425	6,513,046
Travelling and conveyance expenses	3,656,789	4,221,761
Commitment charges (machining)	7,386,535	4,818,875
Selling and administration expenses	3,845,757	3,971,032
Auditor remuneration	475,000	435,000
Loss of sales of assets	40,783	-
Directors' sitting fees	270,000	280,000
Legal & professional fees	1,122,521	1,760,390
Miscellaneous expenses	2,835,849	1,357,301
	66,006,498	111,037,764
Payment to auditor		
a) As auditor		
Audit fees	400,000	400,000
Tax audit fees	35,000	35,000

b) Other services	40,000	-
	475,000	435,000

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

Particulars	March 31, 2016 Amount (₹)	March 31, 2015 Amount (₹)
Bank Guarantees	2,276,563	1,500,000
Letter of credit	-	16,068,884
Claim against the Company not acknowledge as debt #	19,798,653	-

#As per the terms of agreement with Maharashtra Natural Gas Limited ("MNGL") the Company is liable to pay MNGL for the Minimum Guaranteed Offtake (MGO), in case of shortfall in quantity purchased as compared to the specified Annual Contracted Quantity. The Company has received a letter dated September 15,2015 from MNGL, demanding an amount of Rs.197.98 lacs in respect of MGO obligation for the calendar year 2014. The Company is under discussion with MNGL, requesting re-consideration of the same, because of the overall recession in oil and gas sector, which has resulted in significant decline in level of operations of the Company as compared to the budgets. Based on such discussions with MNGL, executives, the management is hopeful of obtaining a favourable view.

29. **Capital Commitment:**

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)

₹ 28,500/- (March 31, 2015: ₹ 2,261,501/-).

30. 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".

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

Particulars	Currency	As at March 31, 2016		As at March 31, 2015	
		In ₹	FC	In ₹	FC
Receivables in foreign currency	USD	10,123,913	153,765	27,501,412	442,643
	GBP	-	-	4,466,650	48,720
Advance from customer	USD	2,681,852	40,733	-	-
	GBP	141,450	1,500	-	-
Buyers Credit payable	USD	2,750,511	41,380	26,025,3353	41,376
	EURO	34,564,004	457,196	3,315,265	488,422

b) The Company has entered in to forward contracts to cover the expected receivables against foreign exchange rate fluctuations. The forward contracts outstanding were as under:

Currency	As at March 31, 2016		As at March 31, 2015	
	No of Contracts	Amount in foreign currency	No of Contracts	Amount in foreign currency
USD	2	200,000	-	-

32. **Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**

a. **General description**

i). Contribution to Provident Fund /Superannuation Fund (Defined Contribution)

The Company's Provident Fund scheme (including pension fund scheme for eligible employees) and superannuation fund scheme are defined contribution plans. The expenses debited to the Statement of Profit and loss in respect of Provident fund and Superannuation fund is ₹ 868,395 (March 31, 2015: Rs 914,230) and ₹ 286,699 (March 31, 2015: Rs 357,795) respectively.

ii). Gratuity (Defined benefit)

The Company operates a gratuity scheme plan for its employees. 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 has recognised ₹ 248,737 (March 31, 2015: ₹ 1,054,638) as expenses towards gratuity scheme during the year

b. **The following tables set out disclosures prescribed by AS 15 in respect of Company's unfunded gratuity plan.**

i) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Present value of obligation as at the beginning of the year:	6,035,144	4,980,506
Interest cost	484,134	385,989
Current service cost	456,959	505,307
Benefits paid	(36,058)	-

Actuarial (gain) / loss on obligation	(692,356)	163,342
Closing present value of obligation	6,247,823	6,035,144

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of obligation as at the end of the year	6,247,823	6,035,144
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognized in balance sheet	(6,247,823)	(6,035,144)

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	456,959	505,307
Past service cost	-	-
Interest cost	484,134	385,989
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(692,356)	163,342
Expenses recognized in the statement of profit and loss	248,737	1,054,638

iv) Actuarial assumptions

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Discount rate	8.00%	7.75%
Salary escalation rate*	8.00%	8.00%
Withdrawal rate (p.a.)	5.00%	5.00%

*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.

v) Disclosures under para 120(n) of AS 15

Particulars	Year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	6,247,823	6,035,144	4,980,506	4,414,233	-
Plan asset	-	-	-	-	-
Surplus/(deficit)	(6,247,823)	(6,035,144)	(4,980,506)	(4,414,233)	-
Experience adjustments on plan asset	-	-	-	-	-
Experience adjustments on plan liability (gain/loss)	(623,726)	(350,324)	170,032	850,556	-

33. Consumption of Raw Material:

Particulars	March 31, 2016		March 31, 2015	
	Percentage	Value	Percentage	Value
Imported	11.64	3,391,249	6.9	5,032,608
Indigenous	88.36	25,747,168	93.1	67,944,399
Total	100.00	29,138,417	100.00	72,977,007

34. Consumption of Stores, Spare Parts and Components:

Particulars	March 31, 2016		March 31, 2015	
	Percentage	Value	Percentage	Value
Imported	2.00	89,950	3.75	83,463
Indigenous	98.00	4,394,469	96.25	2,141,304
Total	100.00	4,484,419	100.00	2,224,767

35. CIF Value of Imports:

Particulars	March 31, 2016	March 31, 2015
	Value	Value
Raw materials	4,551,601	-
Spares & components	115,102	107,753

Capital goods	-	3,064,221
Total	4,666,703	3,171,974

36. Expenditure in Foreign Currency:

Particulars	March 31, 2016	March 31, 2015
	Value	Value
Foreign travel	411,217	667,793
Total	411,217	667,793

37. Earnings in Foreign Currency:

Particulars	March 31, 2016	March 31, 2015
	Value	Value
FOB value of export	90,091,203	223,753,414

38. 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	Relatives of key management personnel	Mrs.R. R. Kothavale Mr. S. R. Kothavale Ms. Sonal R Kothavale
3	Entities where key management personnel exercises significant influence	Mr. R. S Kothavale (HUF) Orient Precision Engineering Pvt Ltd

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

Details of related party transactions during the year as per Accounting Standard 18:

(Amount in ₹)

Sr No	Nature of Transactions	March 31, 2016	March 31, 2015
1.	Managerial remuneration Mr. R. S. Kothavale	1,729,913	1,729,952
2.	Office rent R.S.Kothavale (HUF) Sonal Kothavale	1,205,000 278,994	1,521,456 277,836
3.	Machining charges M/s.Orient Precision Engg.Pvt.Ltd	343,831	4,530,678
4.	Commitment charges M/s.Orient Precision Engg.Pvt.Ltd	7,386,535	4,818,875
5.	Purchase of machinery M/s.Orient Precision Engg.Pvt.Ltd	8,437,500	-
6	Advance receivable M/s.Orient Precision Engg.Pvt.Ltd	-	9,245,413

39. Operating Lease

The company has entered into a commercial lease agreement for taking office space on lease. The lease agreement is for a period of thirty three months with renewal option and escalation clauses. There are no restrictions placed upon the Company by entering into this lease. The Company has not given any sub lease during the year. The lease arrangement does not include a non cancellable period.

Lease rental debited to the Statement of Profit and Loss for the period is ₹ 1,483,994 (March 31, 2015: ₹ 1,799,292).

40. Earnings per share of the Company, is as calculated below and in accordance with AS – 20 "Earnings per share"

Particulars	March 31, 2016	March 31, 2015
Net profit/ (loss) after tax for the year	(11,203,436)	10,606,811
Weighted average no. of shares	10,939,400	10,939,400

Basic and diluted EPS	(1.02)	0.97
Nominal value per share	10	10

41. Segment Reporting Disclosure
i) Primary (Business) Segment

In accordance with the requirements of the Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Open Die Forgings" hence no separate disclosures pertaining to attributable Revenue, Profits, Assets, Liability, Capital Employed are given.

ii) Secondary (Geographical) Segment:

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The management views the Indian market and export market as distinct geographical segments. The geographical segments considered for disclosure are as follows:

Particulars	Year Ended March 31, 2016			Year Ended March 31, 2015		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	32,420,901	90,944,002	123,364,903	42,872,533	223,753,414	266,625,947
Additions to fixed assets	14,401,636	-	14,401,636	40,860,500	-	40,860,500
Carrying value of segment assets *	321,654,675	10,123,913	331,778,588	366,417,338	31,968,062	398,385,400

*Excludes advance tax and MAT receivable

42. In the previous year, the Company had sold an un-used portion of land which was not required for future expansion, for a consideration of Rs 8,000,000, resulting into a profit of Rs 7,848,382 which has been disclosed as "Exceptional Item".

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

In terms of our report of even date

For HARIBHAKTI & CO LLP

Chartered Accountants

Firm Registration No 103523W

For and on behalf of the Board of Directors

ANUP MUNDHRA

PARTNER

Membership No. 061083

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: 13th May, 2016

FORM A

(Pursuant to revised Listing Agreement entered into with Bombay Stock Exchange)

1	Name of the Company	Rajkumar Forge Limited
2	Annual Financial Statement for the year ended	31 st , March, 2016
3	Type of Audit Observations	Unqualified- Matter of emphasis
4	Frequency of Observation	Not applicable

FOR HARIBHAKATI AND COMPANY, LLP

FOR RAJKUMAR FORGE LIMITED

Sd/-
ANUP MUNDRA
PARTNER
MEMBERSHIP NO 061083

Sd/-
R.S.KOTHAVALA
MANAGING DIRECTOR
DIN NO 00146524

Sd/-
SWASTIK SIRSIKAR
DIN NO 00552722

DATE: MAY 13, 2016
PLACE : PUNE

Sd/-
VIJAY KULKARNI
COMPANY SECRETARY
MEMBERSHIP NO A20665

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)

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

I/We being members ofshares of the above named company hereby appoint

- Name _____ of..... Addresshaving e-mail id _____ Signatureor failing him
- Name _____ of..... Addresshaving e-mail id _____ Signatureor failing him
- Name _____ of..... Addresshaving e-mail id _____ Signature

as my / our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Tuesday 20'th day of September, 2016 at 11.30 A.M. Poona Club Limited, 6, Bund Garden Road, Pune - 411001

Ordinary Business

- Receive consider and adopt :-
The Audited Financial Statements of the Company together with Report of the Board of Directors and Auditors there on**
- Re-appoint Mr. Shantanu.R.Kothavale as Director of the Company**
- To Appoint Mrs. Ratnaprabha.R.Kothavale as Director of the Company**
- To ratify appointment of Haribhakti and Company, LLP as Statutory Auditors of the Company and Authorizing the Board to fix their remuneration.**

Signature of shareholder

Signed this _____ day of _____ 2016

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.

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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 13th May, 2016 of the Company to be held on 20th day of September, 2016, 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 Six Annual General Meeting dated 13 th May, 2016)	I assent to the resolution	I dissent to the resolution	I abstain to the resolution
1	Adoption of Financial Results for the year ended 31 st March,2016			
2	To re- appoint Mr. Shantanu.R.Kothavale as Director of the Company			
3	To re- appoint Mrs. Ratnaprabha.R.Kothavale as Director of the Company			
4	To ratify appoint of Haribhakati and Company LLP as Statutory Auditors of the Company			

Signature of the Shareholder

Place:

Date:

INSTRUCTIONS

1. In terms of Clause 35B of the listing agreement ,the members who do not have access to e-voting facility may fill up the Physical Ballot Form and submit the same in a sealed envelop to the Scrutinizer, Neelkanth.G.Limaye, Practicing Company Secretary, Unit: RAJKUMAR FORGE LIMITED. C/o Link Intime India (Private) Limited, 202,2'nd Floor, Akshay Complex,Near Ganesh Temple, Off Dhole Patil Road, Pune-411001 so as to reach not later than 17'th September, 2016 by 6.00 p.m. Ballot paper received thereafter will be treated as invalid.
2. The Company will not be responsible if the envelop containing Ballot Paper is lost in transit.
3. Un-signed incomplete or incorrectly ticked Ballot Papers are liable to be rejected and decision of Scrutinizer on the validity of the form will be final.
4. In the event member cast votes through both the processes i.e E- Voting and physical ballot form would be ignored .
5. The right of voting by this Ballot Paper shall not exercised by proxy
6. Ballot Form should be completed and signed as per specimen signature registered with the depository participant /company. In case of Joint holders, ballot form should be signed by the first named shareholder and in his absence by the next named shareholder/s. Un-signed ballot forms will be rejected.
7. To avoid fraudulent transactions , the identity /signature of the members holding shares in electronic form/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in the physical form is verified as per the as per the records of the share transfer agent of the Company viz Link Intime India Private Limited. Members are requested to keep the same updated.
8. There will be only one Ballot Paper for every Folio/DP ID & Client ID irrespective of number of joint holders.
9. In case of joint holders ,the Ballot Paper should be signed by the first named shareholder and in his/her absence by the next named shareholder/s. Ballot Paper signed by a joint holder shall be treated as valid if signed as per records available with the Company and the Company will not entertain any objection on such Ballot Paper signed by other joint holders.
10. Where the ballot form has been signed by the authorized representative of the body corporate/trust/society, etc. a certified copy of the relevant authorization/ Board Resolution to vote should accompany ballot form.
11. Instruction for e-voting are available in the Notice of Annual General Meeting .

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

Email : secretarial@rkforge.in
invest@rkforge.in